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THE CONSTITUTION

OF THE

EAST INDIA COMPANY.

By MANCHERJEE M. BHOWNAGGREE.

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TO THE READER.

SENSIBLE as the writer of the following few pages is of their imperfectness as regards both their literary workmanship and the information he has endeavoured to embody in them; he thinks it due to himself to acquaint the reader of the circumstances which induced him to allow their appearing in this form. He successfully competed for a prize offered for an essay on the Constitution of the East India Company in the Elphinstone College in 1869. This essay was seen by the late Professor Hughlings, who, with that desire for the welfare of his pupils which, while living, made him as beloved as, after death, has made his memory revered, expressed a wish to see it in type. This, and the expression of a like wish by the writer's personal acquaintances, induced him to expand the essay to its present form.

In asking the indulgence of the reader he expects him to bear this circumstance in mind: while he hopes that the critic will not deny him his, considering that for a great part of the time he was engaged in writing these pages he was the unhappy subject of circumstances as bitterly un-

pleasant in their nature as injurious in their effects.

His acknowledgments are due to Hansard's Parliamentary Debates, and in a less degree to Mill's British India as well as to Auber's Rise and Progress of the British Power in India, to Sir John Kaye's History of the East India Company, and to Mr. Marshman's History of India, for the valuable information he derived from them.

He also gladly avails himself of this opportunity to tender his best thanks to those who, in various ways, have countenanced this small effort, and thereby contributed towards the completion of what he even now is far too diffident to lay before the public, deeming it unworthy of its acceptance. Nor can he conclude these few lines without recording his deep sense of the loss the cause of education in this land has suffered by the untimely death of one of her ablest representatives while these pages were going through the press; and without expressing the melancholy satisfaction he derives at having the privilege of connecting this small volume with the honoured name of one whose memory cannot but be cherished with pride and affection by many a past Elphinstonian.

18*th April*, 1872.

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THE CONSTITUTION

OF

THE EAST INDIA COMPANY.

Slowly comes a hungry people, as a lion, creeping nigher,
Glares at one that nods and winks behind a slowly dying fire.
Yet I doubt not thro' the ages one increasing purpose runs,
And the thoughts of men are widen'd with the process of the suns.

TENNYSON.

CHAPTER I.

FROM THE FIRST EFFORTS OF THE ENGLISH TO DISCOVER A PASSAGE TO INDIA TO THE COMMENCEMENT OF A MOVEMENT FOR TRADING WITH THE EAST INDIES IN 1599.

The Scheme to discover an Overland Route to India first broached in the reign of Henry VIII.—First Expedition to India under Sir Hugh Willoughby in the reign of Edward VI.—Its failure—Further attempts—Further failures—Drake's successful Voyage Round the World—Expedition of Cavendish—An Overland Route to India—Government Expedition—Its disastrous result—First substantial movement for carrying on Commerce with India.

THE splendid achievements which rewarded the persevering efforts of the Spanish and the Portuguese naval adventurers in the fifteenth and six-

teenth centuries, kindled in the hearts of the English that love for maritime adventure, which has raised them to be the chief of maritime nations. England was already conspicuous among the commercial countries of Europe for her extensive traffic on the continent when this new spirit of naval enterprize induced the nation to hazard both life and riches in the attempt to discover a passage to Hindoostan, which might be called their own. Nor were they behind the rest of Europe in watching with a sort of jealous wonder the argosies of the Portuguese triumphantly bearing the barbaric pearl and gold of remote India to the shores of their own country. They were therefore naturally impelled to undertake, as early as in the beginning of the sixteenth century, the attempt to reach the very source which poured forth such an inexhaustible stream of opulence: and we can trace the first scheme publicly brought forward in England with this object as far back as the reign of Henry VIII. It seems, however, that very little was done in the matter till the succeeding reign, when Sir Hugh Willoughby was deputed with the commission of the enterprize at the head of a squadron of three ships. But in the attempt the ship

immediately under the command of Sir Hugh was driven upon the coast of Lapland, where it was lost with all on board: while another, under the command of Captain Chancellour, chanced to be driven into the White Sea, whence the Captain and his men proceeded to Moscow, the then Capital of Russia, a place but little known at that time to other nations on the Continent. Chancellour took advantage of this opportunity to enter into a treaty with the Russian Monarch, which secured to his countrymen the privilege of trading with that vast Empire. This new commerce was entrusted to a Company in England, which subsequently made some attempts to reach India, but they all proved perilous and unsuccessful.

Fresh attempts continued to be made for a number of years, all of which ending in no better success and also being fraught with considerable peril, are remarkable only as evidence of the unflinching perseverance characteristic of the English. These failures at length convinced the nation of what they began to regard as the impossibility of finding a passage to India more expeditious or safe than that round the Cape of Good Hope; to which, morever, Spain and Portugal pretended to have the exclu-

sive right. This position being consistent with the *lex non scripta* of the time, besides being afraid to provoke the wrath of two of the then most powerful countries, the English for a long time refrained from asserting their right to that line of navigation.

But at length in the year 1577, Francis Drake who, beginning low in life, had by his own sagacity and skill raised himself to distinction in the navy, thought of penetrating into the Southern Ocean. He sailed from Plymouth on the 13th December in command of a splendid fleet of five ships. In about eight months he crossed the Straits of Magellan, and in the course of his voyage vastly enriched himself by plundering Spanish vessels on the Western coast of Spanish America, though he had lost by that time four out of the five ships of his fleet. He started on his voyage home with the intention of crossing the Pacific Ocean, and of touching on his way the Molucca or Spice Islands, whose rich productions, introduced into Europe by the Portuguese, had raised such an amount of interest on the continent. He steered straight in the direction of Ternate, one of the Molucca group, where he was received favourably by the king.

While there, he saw from personal observation the advantages which might be derived from a traffic with the Islands, and succeeded in laying the foundation of a commerce which has since grown to vast proportions. Next he visited Java, then touched the Cape of Good Hope, whence he proceeded to Sierra Leone on the coast of Africa to obtain provisions, and finally entered Plymouth harbour on the 26th of September 1580, his ship being the first English vessel that performed a voyage round the world. Immense was the admiration and joy of the people at this enterprize. Captain Drake was worshipped the hero of the day, and Queen Elizabeth showed her appreciation of his singular undertaking by bestowing upon him the honour of knighthood to-gether with many other marks of royal favour.

The next expedition after this in point of important results was that undertaken by Thomas Cavendish, a Suffolk gentleman of large estates. The signal success which even beyond the most sanguine expectations rewarded the daring perseverance of Captain Drake, created, as might have been expected, an inordinate desire for maritime exploits. In fact, a mania for naval adventures

in search of fame and fortune affected the whole nation, for even men of high position and noblemen were known to have embarked both person and property in hazardous and precarious expeditions. That undertaken by Cavendish was the only one which reaped any material profit. It sailed from Plymouth in July, 1586, for South America, on the Western Coast of which the men unscrupulously committed depredations. Thence it proceeded on its voyage across the Pacific, touched an island in the Landrones, and reached the group of islands named after Philip II. Cavendish was much surprised with their extent and fertility; and was quicksighted enough to perceive the advantages which might accrue to his country from a commercial intercourse with them; for, besides the natural productions peculiar to the soil, they held vast intercourse with the Chinese, who imported into them the natural produce and manufacture both of India and China. The inhabitants of the islands, identifying the new comers with the Spanish, towards whom they seemed to have contracted intense hatred, were at first hostile to them; but no sooner were they made to understand that their visitors were far from being on amicable terms with

the Spaniards, than they accorded them a favourable reception, which induced Cavendish and his party to prolong their stay in the islands for some days. They afterwards proceeded to the Moluccas, thence to Java, where Cavendish established amicable relations with the native princes, and in September, 1588, gained Plymouth harbour by nearly the same route as that traversed by Drake's fleet.

The chance-advantages reaped by these and other expeditions still more inflamed the desire of risking adventures to reach India. Shortly after the return of Cavendish, an attempt for the discovery of an overland route to India was undertaken. Some adventurers joined with this view, proposing to sail to the eastern shores of the Mediterranean, and after landing at Syria, to travel to the Persian Gulf through Allepo and Bagdad, and finally to make for Malabar by putting to sea from the port of Ormuz. They succeeded in reaching India where one of them, named Fitch, travelled in many parts and returned to England after some years. But their experience made it evident to them that, commercial intercourse with this continent through the long route they had traversed would be both hazardous and unprofitable. Being thus once more

convinced of the passage round the Cape of Good Hope being the most convenient channel for passing over to India, we find a petition presented by several Merchants to Elizabeth in 1589 praying for the Royal sanction of a small expedition to India. It does not seem that the prayer was accorded; but three years after, in 1591, an expedition consisting of three ships, under Captains Raymond, Kendel, and Lancaster, sailed from Plymouth direct for India. Sometime after the ships had put to sea, Captain Kendel had to return to England with his vessel in charge of a number of men who had been invalided by disease; Captain Raymond's perished in a tempest somewhere near Cape Corrientes; and that under the command of Lancaster, though it rounded Cape Comorin, had to submit to great privations on its way thither, and was afterwards lost in a severe tempest on the coast of the West Indies. The Captain and some of his men, who narrowly escaped sharing the same fate with their ship, would have perished on a desert island where they had sought refuge from the tempest, but for the timely assistance of a French vessel, which was on its way to France. They at length, however arrived in England about

the middle of 1594. The bad luck which the expedition uniformly met with, abated for a time the desire of maritime adventure in the people; but the year after, learning that the Dutch had equipped a new fleet of four ships, the nation once more caught its former ardour for establishing commercial relations with India. And ere long, in the year 1599, a substantial movement was set on foot with this object in view.

CHAPTER II.

FROM THE ESTABLISHMENT OF THE "COMPANY OF MERCHANTS OF LONDON TRADING TO THE EAST INDIES" TO THEIR SECOND CHARTER.

1599—1650.

The Company's First Charter—Their "Committees" of Management—Their first Expedition under Captain Lancaster—Followed by eight others—Their difficulties in India—National enmity towards them—Their Second Charter—Change in their position from a Regulated to a Joint Stock Company—Courten's Association—Its failure—Its union with the London East India Company.

So an association, with a Capital of £30,133-6-8, was formed for the purpose of carrying on trade with the East Indies. The scheme had the approval of the Queen, but the application of the new Company for a Royal Charter of privileges had to be refused for a short time on political considerations.

On the last day, however, of the year 1600 it was incorporated by a Charter from Queen Elizabeth, under the name of the "Governor and Company of Merchants of London trading into the East Indies." It was headed by the then Lord Mayor of London; but in the outset it was altogether an unpromising affair, not having so much even as the

position of a Joint-Stock Corporation. It was provided in the Charter granted by Queen Elizabeth that the Company should hold the exclusive privilege of commercial intercourse with the East Indies for a period of fifteen years; but in case their monopoly proved disadvantageous to the British nation, they were to surrender it on two years' notice.

Soon after the Charter was conferred, the Company proceeded to adopt measures for their own regulation, and for utilizing the privileges obtained by them from their sovereign. In the first place they organized a body for the management of their affairs. It consisted of a direction-board of seventeen members, the number subsequently rising to twenty-four. These members were termed "Committees," and from among them was elected a Chairman, or Governor as he was then called, whose term of office lasted one year only. The first Governor was Sir Thomas Smith, Alderman of London.

Thus constituted, the business of the Committees was confined chiefly to the purchase and exportation of such merchandise as commanded a ready sale in the Indian markets, besides providing

their agents in India with bullion in order to enable them to purchase the rich produce of the soil and manufacture of the whole world east of Europe. The first cargo exported by the Company to India consisted chiefly of iron, tin and other metals, cloth, cutlery, glassware, and hides, worth in all Rs. 68,000, exclusive of bullion worth nearly three lacs. Five vessels laden with this freight sailed under the command of Captain Lancaster, and returned in less than three years with a reasonably satisfactory result. This experimental voyage was followed by eight others within short periods of each other, yielding on an average a profit of nearly two hundred per cent. on the outlay. But the difficulties in the way of these expeditions were immense. The occasional letters of some of the first Generals in the Company's service, which are preserved in the manuscripts of the India House Records, tell us, even at this distance of time, what great difficulties the commanders of these expeditions had to contend against. At first they in vain attempted to establish factories in some parts of the country. The people, naturally averse to the intrusion of foreigners, molested them in various ways. But the more effectual cause of their troubles were other

foreigners,—the Dutch, the Portuguese, and the Turks,—who already held vast commercial intercourse with the natives. They felt their own position imperilled by the arrival of a new people on the coast of India to compete with them. Consequently, they threw various obstacles in their way. They used to attack them suddenly, rob them, and are even known in some cases to have murdered them, of which, the dreadful massacre of Amboyna at a subsequent period, is a melancholy instance. These troubles were very discouraging to the English, and arrested their progress for a considerable time.

Nor were these the only difficulties in the way of the infant Company. People, looking at the sunny side of their affairs only, had become jealous of the exclusive privileges conferred upon them by the royal charter. Now, in consequence of the determined opposition of the natives of India, the Company had found it difficult to do any profitable business in their selling department, which entailed upon them heavy losses. Their alternative, in this case then, was to prosecute their trade more briskly in another department, that of "buying," which had hitherto proved profitable, for which purpose they

were obliged to supply their agents in India with large quantities of bullion. This gave a bone in the mouth of the Company's enemies, which they thought it was worth their while to crack. They, and with them the mass of the people, bitterly complained against the Company, who, they said, were bent upon plundering the country of its wealth. These difficulties, both at home and abroad, were far too pressing for the Company to withstand, and led them to consider seriously the inadvisability of carrying on their East India trade any longer; but happily for England as well as for India, matters soon took a different turn.

In the course of the seventeenth century, during nearly the whole of which the Company nominally held the monopoly of commercial intercourse with all parts of the world, save the continent of Europe, they obtained no less than Eight Charters from different kings. The First granted by Queen Elizabeth on 31st December 1600 has been already noticed.

It continued for more than nine years, after which the Company received their Second Charter from James, the cousin and successor of Elizabeth, on the 31st of May, 1609. This Charter rendered the Company secure in the possession of their exclusive

privilege to trade with India in perpetuity; but, it lasted only a little over fifty years, during which period frequent and numerous hindrances were thrown in their way by the king and his courtiers. The very high sense James used to entertain of his position, and the profligacy and weak-mindedness so conspicuous all throughout his career, both public and private, had involved him in pecuniary difficulties of a serious nature. Thus embarassed, he had laid his hands upon every thing within his grasp, which could contribute to disentangle him from his critical position, and consequently the East India Company was to him a fair prey. He and his courtiers took advantage of them in various ways, often broke faith with them, and oftener plundered them. Up to the year 16 2, the members of the Company were allowed to enter into ventures each on his own account. But under their Second Charter, they resolved to raise their company to the position of a Joint Stock Corporation, wherein the shares were to be of equal value. The Company gradually insinuated itself into public confidence and in four years more the number of proprietors of India Stock was not much below one thousand. The capital of the Company also increas-

ed five-fold. Its traffic also became wider, but not therefore its profits; for, in the course of the next ten years, it had contracted a debt amounting to £ 200, 000, which again, lowered it somewhat in public estimation.

The next reign—that of Charles I.—proved still more disastrous to the Company. The same profligacy and the same hard headedness which had reduced the father to pecuniary straits, had done the same for the son. Not content with throwing occasional osbtacles in the way of the Company like his father, King Charles was determined to leave nothing undone to benefit himself as much as possible by means of the newly opened traffic between England and India. In the meantime, the Company had succeeded in removing the chief obstacle, which had hitherto very much hindered the progress of their trade with India. The first European masters, so to say, of the Indian seas, the Portuguese and the Dutch, naturally feeling annoyed at the intrusion committed by the English on the privileges hitherto solely enjoyed by them, were doing everything in their power to impede the progress of their new rivals. But the Company, having obtained a pretty firm footing by this time

were enabled to bring the Portuguese to enter with them into a compact, which rendered the English expeditions on Indian seas secure from further molestation by either the Portuguese or the Dutch, and moreover opened the ports of the Portuguese East India Company to English vessels. Though the continued successes of the Company's commercial enterprizes had already attracted the attention of people in England, still, from a consideration of the numerous hardships to which they were incessantly subjected, no attempt had hitherto been made to wrest from their hands their exclusive privileges. But now that by the agreement between the English and the Portuguese this consideration was entirely removed, a number of competitors united to form a formidable opposition to the East India Company; and the impoverished state of the Privy purse at that time gave them a strong coadjutor in the person of Charles I. At the solicitation of a Sir William Courten, that unprincipled Monarch readily gave the royal assent to the formation of a new trading body, called Courten's Association, for carrying on trade with the East Indies, on condition that the king should receive a portion of the new Company's profit. Thus on a most meagre pretence, specially invented for the

occasion, King Charles unhesitatingly violated the royal pledge, solemnly ratified by his two predecessors, for allowing the East India Company to enjoy the sole and exclusive privilege of trading with the East Indies in perpetuity. The new-formed association was at first dreaded by the old Company as a formidable rival, but in a short time the unmerciful and frequent attacks by the Dutch on its vessels at sea, as well as the unprincipled conduct of its affairs, brought it to the very verge of ruin, and when in this precarious state it was amalgamated with the original East India Company.

The times through which the Company were passing at this juncture, were ill-omened for their welfare. Great and wide was the feeling of jealousy they had aroused against themselves, when, most fortunately for them, the premature fall of the one rival already set up against them, worked as a powerful check in keeping back many others from entering into a like rivalry. This circumstance, combined with the conflicting state of affairs between the king and Parliament in England, afforded a short intermission of repose to the Company, for matters of far greater and immediate importance drew away the attention of the people in a different direction altogether.

CHAPTER III.

FROM THE LONDON EAST INDIA COMPANY'S THIRD TO THEIR EIGHTH OR LAST CHARTER.

1650—1698.

The East India Company divided into two factions.—Petitions submitted severally by both to the Protector—Cromwell's decision in favour of the Conservative party—The Company's Third Charter—Their existence seriously threatened by popular movements in 1877—Their Fourth Charter—Their Fifth Charter—Their Sixth Charter—The privilege to take up arms against the native Princes in India first secured to them—They desire for the acquisition of dominion—The House of Commons recommend the King to establish a new East India Company under Act of Parliament—The Company's Seventh Charter—Their Eighth Charter.

IN the year 1648 the unfortunate King Charles was executed, and the monarchy of England was superseded by the Common-wealth. With that grand Reformation in the government of England dawned a period, which threatened to prove well nigh disastrous to the Company's existence itself. Under the new Republic, or what in reality was a military democracy, general liberty was proclaimed, which, of course, included liberty of trade. The monopoly of the East India Company was now exposed to great peril, but it appears that, on account of the hostilities between England and Holland, there was no inducement to take advantage of the opportunities

thus offered. During the time, therefcre, that the war with the Dutch continued, the Company were still secure in their exclusive privileges. But in the year 1654, when it was thought desirable to conclude a treaty with the Dutch, the existence of the Company again became precarious. However, from the absence of any movement at this time in opposition to the Company, notwithstanding the jealousy with which their existence was regarded, it can be easily conjectured that their unhappy experiences had already made it evident to the people that their position was not so enviable as was generally supposed.

Thus though no new enemy threatened their peace, difference of opinions among themselves involved them in civil discord. It occurred to several members of their own body to free themselves from the fetters of a corporation of the nature of a Joint Stock Company for they thought that, they could utilise their privileges much more profitably if they were allowed to carry on individually a regulated trade. But the other members were not of the same mind, and so for the first time in the history of the East India Company, its members were divided amongst themselves. The dissenters—those who ad-

vocated a free regulated trade—acted on the offensive by presenting petitions to the Council of State, in 1654, praying for an alteration in the constitution of the Company, so that the members might be authorized to carry on trade more freely than heretofore. The arguments in these petitions were soon answered very elaborately by the other party, who, in their own petitions forcibly pleaded the importance of maintaining the Company on its old principles. To these were submitted counter-petitions, and the question became greatly agitated. It was at length referred by the Council to a Committee, but so great was the importance attached to it, that the Committee did not think itself competent enough to pronounce any decision upon it. Finally, a second Committee of five arbitrators appointed by the Council pronounced in favour of the old Company, and their decision was subsequently ratified by the Protector. The Merchant-adventurers, as the opposite body were called had, while the question raised by them was pending, already commenced operations for trading with the East Indies on their own account; but, in consequence of the Protector's adverse decision, they were again incorporated with the parent Company. No rivalry now threatened to

disturb the progress of the Company's traffic on the Indian seas.

But the hardships the Company had endured and the difficulties they had encountered, during the half century that had elapsed since they were called into existence, had severely tried their patience and tested their capabilities, which made them desire for themselves such an authoritative pledge as might render them secure in the enjoyment of their exclusive privileges from any future intrusion whatever. And it was not long before an opportunity presented itself. That great event, the Restoration, which followed the death of Cromwell, was hailed by the Company as very propitious to their interests. They lost no time in praying for protection from the new government. The king, also, was disposed to favour their cause; and as no opposition was offered, it was all the more easy to grant what they prayed for. King Charles II. issued to them Letters Patent on the 3rd of April, 1661, by which they were not only confirmed in their exclusive privileges of trading with the East Indies "for ever," but were also empowered to use their own discretion independently of any other authority, as to the manner in which they would choose to

maintain their intercourse with foreign nations excepting Christians. It also authorized them to take effectual means to prevent unlicensed persons from trespassing within their limits. This was the East India Company's Third Charter.

For a period of more than sixteen years from this time, the Company continued in the enjoyment of their privileges without molestation. They were now and then troubled by private adventurers, whose cupidity induced them to trespass on the forbidden ground, but the Company had been empowered, to remove such offenders from their limits on their own authority, and also to punish them. These, powers, they did not hesitate to enforce rigorously and this had the desired effect. While their commercial intercourse with India had, by that time, gained such a substantial footing that, they had no great difficulty in successfully evading the obstacles by which a body of French adventurers, who wanted to establish an East India Company of their own, sought to check the progress of their neighbours on the Indian seas.

But in 1677 the Company were again threatened with a complete forfeiture of their rights and privileges, so solemnly ratified by the ruling monarch

by the Charter of 1661. This Charter was granted by Charles II. on his own authority, without the consent of Parliament being obtained. The dissipated course of the king, and the despotism which marked the latter years of his reign, had not only abated by this time the ardour of the nation's loyalty, which had been so significantly displayed at the time of his accession, but had also created a feeling of dislike against him. His authority to bestow such privileges, as he had done upon the East India Company, was disputed, and popular voice condemned all Charters, not having the ratification of Parliament, as illegal. The Company itself was still an object of ill-feeling to the nation, hence the cry against it was all the louder. But these public protestations do not seem to have been at all heeded by Charles, nor are they known to have affected the Company's interests in any significant degree. And in spite of the general outcry against them, the king further secured them, in the exclusive enjoyment of all the rights and privileges conferred upon them by their three former Charters, by issuing to them a fresh one on the 5th of October, 1677. With this Fourth Charter dates the Company's prerogative to strike their own coins, to give additional facility to their commerce.

The progress of the Company was still watched with increasing jealousy throughout the kingdom. The voice of the people incessantly railed against them, and every opportunity—whether it was the issuing of a fresh Charter, or the conferring of a new privilege, whether it was the demand of a new loan at home, or the failure of a projected settlement in India,—was improved by their opponents as an occasion for renewed hostilities against the Company. Nor did the wrath of these opponents end in formal opposition only. Their ardour carried them still further, for there were not a few among them, who, disregarding the restrictions authoritatively imposed upon them, very often crossed within the Company's boundaries. Hitherto the Company had, without much difficulty, resisted such occasional intrusions by virtue of the power conferred upon them by their last Charter; but their improved position and increasing power, by this time, so largely augmented the number of their enemies that, they began to feel seriously their insecurity against the combined efforts of their opponents. Even a rival East India Company was projected, and, still more, it was sought to check the progress of the lawful Company in India by poisoning the minds of the

native Princes against them, which subjected them to no inconsiderable hardships. Labouring under these difficulties, the Company applied to the Crown for an increase of power. Their application was entertained by Charles with the same favour as before; and a new Charter—the third and last of his Majesty's reign, and the Fifth of the Company, —was granted to them in 1683. Though it was mainly designed for the suppression of the annoyances offered to the Company by the Interlopers, still, it conferred wide powers on the recipients. They were thereby empowered to proclaim Martial Law within the limits of their settlements, and to exercise important judicial functions such as the inroads of the Interlopers and other occasions might call for. It also recognised the Company's servants as authorities over the inhabitants of the British settlements in India.

We do not find, however, that the Company were in any very secure position for the new Charter. The hostile action of the Interlopers, if it did not actually increase, assuredly it did not much abate; while the hardships suffered by the Company at the hands of the native princes, were all, as well spontaneous as influenced, attributed to the under-hand

exertions of the enemy. The Company, circumstanced as they thus were, desired a still wider extent of unbridled action, which they achieved by a fresh Charter granted by the Second James in the second year of his reign. That very important privilege, which has brought about results as grand as unanticipated, the privilege to take up arms against the native Princes in India, was first secured to the Company by this their Sixth Charter.

The Company were heretofore nothing more than a body of traders, with some exclusive privileges. Political matters they were not allowed to involve in, sovereignty they had none. But the heigth to which their position was advanced during the reigns of the last two Stuarts, had enabled them to secure the footing they had already obtained in India on a very firm basis. Their increasing prosperity fired their ambition, and they aspired not only to independence in India but also to dominion. The subsequent fulfilment, to express it very faint ly, of their desire, renders it interesting now to know the precise language in which they first expressed it to their agents in India. "The increase "of our revenue" wrote they, "is the subject of our "care as much as our trade :—'tis that must main-

" tain our force, when twenty accidents may in-
" terrupt our trade :—'tis that must make us a na-
" tion in India :—without that we are but as a
" great number of Interlopers, united by his Majes-
" ty's Royal Charter, fit only to trade where nobody
" of power thinks it their interest to prevent us :—
" and upon this account it is that the wise Dutch,
" in all their general advices which we have seen,
" write ten paragraphs concerning their Govern-
" ment, their civil and military policy, warfare, and
" the increase of their revenue, for one paragraph
" they write concerning trade."—*Bruce's Annals.*

In three years after the Company had received their Sixth Charter, King James II. was driven away from the throne of England, and the crown was settled upon William, Prince of Orange. From the influence and prosperity to which the Company had attained since the time that they had secured for their cause the warm sympathy of Charles I., the attention of the people was once more drawn towards them, and the general spirit of opposition was revived with great vigour. However, in the midst of the civil disensions and confusion that resulted from James's bigoted zeal for Popery and his gratuitous despostism, the subject

of India trade could be no part of men's business for the next two or three years. But the accession of William III. to the throne was a fresh opportunity for renewed exertion, and several petitions were presented to the King and Parliament to remove the restriction, which forbad free trade with the East Indies. The question was at first referred to a Parliamentary Committee, and subsequently to a Committee of the Privy Council. The House of Commons had ill-relished the custom of conferring monopolies and exclusive privileges without their consent, and consequently, their view of the People *versus* the East India Company question was hostile to the latter. They made the cause of the opponents their own, and petitioned the King to annul the Company's former Charters, and confer similar exclusive privileges on an altogether new organization with the consent of Parliament. The new King, however, was not inclined to yield to the request of the Commons, and naturally sided with the Company as in opposition to the Commons, who had sided with the Interlopers. A fresh controversy ensued, but was soon brought to an end by the issuing of a new Charter to the Company by William on his own responsibility. This Charter of 1693, was the

Seventh conferred upon the Company, and mainly dealt with their internal constitution. It prescribed various rules for the regulation of their affairs, and the formation and utilization of their capital. But, it is not necessary to enter into the particulars of this new Charter here, considering the short time—five years—of it existence, at the end of which period it was superseded by the Charter of 1698. It is worth remarking, however, that the Charter of 1693 made the Company's existence altogether precarious. By virtue of a clause in their previous Charter, it had been entailed on them to pay a duty of five per cent. on their capital stock, ommission whereof was to be met by the total deprivation of their exclusive privileges. This payment they neglected to make in 1693, and consequently, they were entirely thrown upon the mercy of the King. Though, on this occasion, the royal grace was so far extended to them as to keep them in the enjoyment of their chartered rights, still, the Charter of 1693 was not conferred upon them "for perpetuity" as all former Charters were, but a clause was inserted therein, which rendered the Company deprivable of their privileges at any time on three years' notice.

On the 13th of April, 1698, the Company received their Eighth Charter,—the last conferred upon them as the London East India Company. It was but a modification upon the Charter of 1693, which compact the Company not finding suitable to themselves, they had prayed for a new one. Like its predecessor, it dealt not with the Company's foreign affairs, but related to their internal regulation mainly. It determined that a holder of £500 stock in the Company was to have one vote:—that a holder of £1000 stock was to be entitled to two votes:—of £3,000 stock to four votes:—and of stock worth £4,000 to five votes. It also enacted that, possessors of the Company's stock of the value of £2,000 or more were alone eligible for election as Directors of the Company.

The extent to which the Company's stock could be held by one individual proprietor, was limited to £10,000, but no person was allowed to have more than ten votes. The Charter also made it binding upon the Company to export annually a portion of the produce of England of the value of £100,000, at the lowest; and it also determined that in all the meetings of the Company, which they termed Courts, the Governor should have a casting vote.

CHAPTER IV.

THE "UNITED EAST INDIA COMPANY."

1698—1708.

The East India Company experience severe opposition from the Parliament, the People, and other European nations—The Company's embarassed situation at this period—A rival Company formed by the Interlopers—The exclusive privilege of trade deprived from the Old Company, and conferred upon the New—Hostilities between the two Companies—A Union proposed—Union effected—Final close of the disputes of the two Companies by the Award of Godolphin—Courts of Proprietors and Directors established—Their constitution and the nature of their business.

It was not a secret, however, when the King renewed to the Company their exclusive privileges by the Charter of 1698, that their existence could neither be long nor safe thenceforward. Since the Charter of 1693 was conferred upon them, the name of the House of Commons was enrolled in the long list of their adversaries. Soon after William issued Letters Patent to the Company against the will of the Commons, the latter marked their sense of the King's unwarranted proceeding by resolving, "that it was the right of all Englishmen to trade to the East Indies, or any part of the world, unless prohibited by Act of Parliament." The large profits of the Company's trade and the enormity of Indian riches

once more roused the Interlopers to renewed exertion, and with the co-operation of such a body as the House of Commons they had now little to fear from their common enemy, supported though they were by the Crown. As an instance of the warm ardour for trading with India again felt at this time in England, and the animosity with which the mass of the people viewed the exclusive privilege held by the Company thereof, it may be mentioned that piratical expeditions were fitted out even so far as in New York and in the West Indies, and thence despatched to Indian waters to plunder the Company's vessels, as well as those belonging to native Princes and merchants. Even the other nations of Europe being by this time widely awake to the fact of the English having laid, though in a distant land, the foundation of a supremacy over them without any great effort, thought this a fine opportunity to check their progress further, or to make an attempt at least to participate with them in the enormous profits of the East India trade. Civil dissensions have always been much more fatal to the interests of a country at large than war with a foreign power. To men of one faction their domestic foes are as monsters when

compared with foreign enemies. It is but the warmth of good feeling that foreign enemies evince towards each other when compared to the hatred that subsists between opposite parties in a country. The wrongs which, with all the advantages of near presence and narrow space, dissenting parties can inflict upon one another are ruin before the slight ravages, so to say, of a foreign battle-field.

It is not difficult, therefore, to conjecture how unenviable the position of the Company now became. They were the common enemy of the People, the Parliament, and other nations of Europe. The support of the King, also, involved as he now was in financial embarassments, was not insured. Their own pecuniary difficulties, too, were great at this time, their trade having failed to realise the expected profit. The large sums of money, which it was their custom to distribute at home as bribes when they wanted to obtain favours, became larger at this period. While the exactions, to which they were submitted by the ministers of the native Princes in India were, to say the least, arbitrary. They were really in a pitiable plight. Their weakness strengthened the Interlopers so much that the latter formed a rival association for trading to the

East Indies, and sent out to India ambassadors of their own, to enter into treaties of commerce with the native Princes, in their behalf. Greatly as had the Old Company themselves to suffer from the plunders and ravages committed by the vessels of the rival association and those belonging to the piratical fleet on the Indian seas, it is strange that, they were held responsible by the native Princes for all the injuries inflicted on the India subjects by their adversaries.

In such an embarassed and difficult situation were the London Company when the rival association sent an offer to Parliament of accomodating the Government Treasury, with a loan of £ 2,000,000 at eight per cent. interest, if they would grant them a Charter conferring upon them the exclusive privilege of trading to the East Indies. A little before, the Old Company, conscious of the precariousness of their existence, had felt the necessity of accomodating the Treasury, and they had already offered a loan of £ 700,000 at four per cent. interest. But the monopoly of India trade was as it were put up to sale, and was knocked down to the highest bidder, the rival association. This was, of course, not done without an ostentatious

display of judicial research; for, it was after Parliament had considered in detail the arguments urged severally by the Old Company and the New that an Act was passed, by which the King was empowered to confer upon the new association the exclusive right of trading with India.

Entitled by a clause in the Charter of 1693 to a three years' notice before the Old Company could be called upon to cease trading with India, they were allowed to carry on their Eastern traffic till 1701. Their former difficulties had given them enough of wise experience and courage to face the new danger manfully. They had taught them to hope and to fight, and to hope and to fight to the last. Even though at their last gasp, they did not entirely despair of regaining their lost privileges, as can be seen from what the Court of Directors wrote out at this time to their Council in Bengal. "Two East India Companies," said they, "could no more subsist without destroying one "the other, than two Kings, regnant at the same "time in the same kingdom;—that now a civil "battle was to be fought between them, and that "two or three years must end this war as the old "or the new Company must give way;—that being

" veterans, if their servants abroad would do their " duty, they did not doubt of the victory." The three years common to the existence of both the Companies, saw them engaged in civil strifes. Great were the obstructions each had to encounter, the losses each had to suffer. The contests, which now raged between the servants of the two Companies in India, were outrageous and calculated to do serious injury to the dignity of the British name.

But it was not long before the ruinous effects of the contentions between the rival Companies began to be felt by the people in England. The New or English Company betrayed an inexperience and a weakness in the very outset of their operations, which gave their adversaries no small hope of success. While the Old, that is, the London Company were cautious enough to take advantage of a clause in the Act establishing the English Company, by which it was rendered competent for corporations to hold the new Company's stock. They had also set aside the sum of £ 315,000 from their capital for the purpose of undertaking individual adventures after the decease of their body, to which also they were entitled by a clause in the Charter of the New Company.

Such were the respective situations of the New Company and the Old when it was devoutly wished on all sides that an union of the two bodies should be effected. From the circumstances to which the New Company were reduced, they readily consented to a coalition with the Old Company; but the latter grew more and more irreconcilable and prescribed severer terms in proportion as their rivals betrayed their inability more and more to fulfil their engagements with the nation. Shortly after, however, it was agreed that, in order to determine the terms upon which the two Companies were to be amalgamated, a Committee of seven persons from each party should be appointed. In the course of a year more, both the Companies signified their assent to the conditions agreed upon by the Committee, and by an indenture, which passed the Great Seal on date the 22nd of July, 1702, the London and English Companies were united into one new Corporation, under the title of *The United Company of Merchants of England Trading to the East Indies.*

Eight years further were allowed for the liquidation of the existing concerns of the two separate bodies, which was entrusted to a Committee consis-

ting of equal numbers of their members. It seems, however, that the Committee were unable to conclude the arrangements entrusted to them, and consequently an Act was passed appointing the Earl of Godolphin, then Lord High Treasurer of England, arbitrator of the interests of the Old and New Companies. His Lordship's decision, known as the Award of Godolphin, was declared in 1708, which, properly speaking, was the year of the union of the two Companies.

Thus, the members of the two hostile associations, being united into one corporate body, were left in the undisturbed enjoyment of the exclusive privilege of trading to the East Indies. The last Charter granted to the Old Company by William III., was conveyed to the United Corporation unaltered, and the same Act, which appointed the Earl of Godolphin arbiter between the Old and New Companies, prolonged the existence of the exclusive privilege of the United Company to a further period of fifteen years, exclusive of the three years' notice due to them, that is, to the year 1729 in all. The way before the United Company was now smooth. Their affairs were regulated. Their business progressed with rapid strides. They themselves

entertained a high sense of the duty which they owed to their country, and thus expressed it to their agents in India:—"Now that we are established "by a Parliamentary authority, we deem it a duty "incumbent on us to England and our posterity, "to propagate the future interests of the nation in "India with vigour." They framed a new constitution for themselves. They established two bodies, which they called Courts;—the one was the Court of Proprietors, the other, the Court of Directors. These were not quite new institutions in themselves, for it will be remembered that, soon after the Old Company were first called into existence by Queen Elizabeth, a Committee of management for conducting their affairs had been appointed, the members whereof were termed "Committees." But the great power invested in the hands of the two bodies, the importance assigned to them in the subsequent Charters of the Company, the different changes in their constitution and in the extent of their authority from time to time, and, in short, the conspicuous part they henceforward play in the history of the East India Company, make it desirable to describe at length the constitution of their bodies and the nature of their business, at this stage of our narrative.

Every member of the Company, who held stock in it of the value of at least £ 500, was qualified to be reckoned a member of the Court of Proprietors, and to have a vote in it. The possession of additional shares did not confer right of additional votes. Every proprietor of stock of the value of £ 2,000, or more, was alone eligible for election to serve upon the Direction Board.

The Court of Directors was constituted of twenty-four members only. They were elected every year, and from among them were chosen a Chairman, and a Deputy-chairman, the former of whom presided over the meetings of both the Courts throughout the year. The members of this Court were eligible for re-election at the expiration of their year of office. Thirteen Directors were sufficient to form a quorum. They were required to summon four General Courts of Proprietors in the course of a year, or more frequently if deemed necessary, or if so required by any nine of the Proprietors competent to vote.

Of the power each of these bodies enjoyed, it is perhaps unnecessary to say that the larger body, the Proprietors, had reserved for themselves the

exercise of a wide authority over the Directors. It was left to them entirely to enact laws and regulations for the Government of the Company's affairs at home as well as in India. It was also left to their discretion to adjust dividends to the Company's shareholders. Their choice was to appoint and retain members on the Directorate. While it was the business of the Directors, though as Proprietors they enjoyed these privileges, to give effect to all the orders and regulations issued by the Proprietors. It also belonged to them to conduct the routine business of the Company. As the best mode of discharging their duties satisfactorily, they divided themselves into several Committees, and their business into as many different heads. These Committees were Ten in number. Their names import the nature of their business, consequently it will suffice to mention them by their names only, allowing exception in one or two cases.

The First and most important of them all was, the Committee of Correspondence. Its business was to hold correspondence in the name of the Company at home and abroad. With it rested the decision of

the most important questions falling within the province of the Court of Directors.

The Committee of Law-suits was the Second.

That of Treasury was the Third.

The Fourth was the Committee of Warehouses. It had for its charge the interests of the Company's trade.

The Committee of Accounts was the Fifth.

Sixth came the Committee of Buying.

The Committee of the House, whose principal business was to look after repairs of the Company's buildings, and to superintend over the work of the petty officers in the Company's service, was the Seventh.

The Committee of Shipping was the Eighth.

The Ninth was the Committee of Private Trade, whose function it was to issue licences to private adventurers to carry on trade within the Company's limits.

And to see that such privileges to private traders were not exceeded nor taken undue advantage of, was the duty of the Tenth, which was called the Committee for Preventing the Growth of Private Trade.

CHAPTER V.

THE NEXT SIXTY YEARS OF THE EAST INDIA COMPANY.

1708—1769.

The Company get their Charter extended to 1833—*They obtain a proclamation from the King, and an Act of Parliament subsequently, forbidding trespasses on their exclusive rights—The Ostend East India Company—Suppressed after an existence of ten years—The United Company authorized to borrow money for trading purposes—Act of Parliament for the better administration of Justice in the English Settlements in India—Fresh project of a Rival Company—Its failure—The period of the Company's monopoly extended to* 1780—*The Company's right, to their exclusive privileges 'in perpetuity' disputed, and merged into one of continuing in India trade even after the expiration of their Charter.—Their Territorial Jurisdiction disputed by the Minister—A Compromise effected.*

THUS united under the authority of the Government into one corporate body, and having had sufficient time to refresh themselves from the exhaustion of their recent struggles, the members of the new United Company found themselves in a fair way of prosecuting their trade with India with brighter prospects of advantage. Their affairs had recovered ftom the confusion, in which they had been involved, and were restored to tolerable harmony. Their trade at the same time increased considerably, and they now went on prospering in every department of their business. Rivalry being for

the present out of question, they had no difficulty in obtaining, in 1712, an extension of their exclusive privileges for a further period of eight years from the time to which they were limited by the Charter of 1702. There being again evident some faint symptoms of private unlicensed adventures within their recognized boundaries, the Company prayed the Crown for protection in 1716, which was granted them in the shape of a proclamation forbidding all British subjects to trespass on the Company's rights, even under the commission of foreign Governments;—an expedient, which, it seems, was amply resorted to by Englishmen at this time under the impression that it exempted them from the obligations of their own Government. An Act of Parliament, two years after, gave wider efficacy to this order.

But just at this period the formation of a new East India Company under the patronage of a foreign Monarch once again disturbed the tranquillity which the United Body of English Merchants were now beginning to enjoy. The Emperor of Germany, dazzled by the immense profits of Indian trade, caught the infection of enriching his own country with the wealth of India. He authorized

the establishment of the Ostend East India Company in the year 1717. Emboldened by the interest the Emperor himself evinced in their welfare, besides having the advantage of a safe and sure passage to India from the very commencement of their operations, the new Company progressed with such rapid strides that those were no mean promises they held forth of benefitting themselves as much as, if not more than, the English and Dutch traders by their new acquired line of commerce. The East India Merchants of both these nations were greatly alarmed, and petitioned their respective Governments to intercede with the Emperor in their behalf. But the experiment of the foreign Interlopers, short though it was, so completely realized their high expectations that neither the remonstrances of the Governments of England and Holland, nor the obstructions by means of which the old merchants sought to drive out their new rivals from the field, were of any avail. Even a Charter of exclusive privileges was issued to them in 1723 by the Emperor, and they went on reaping no inconsiderable profits from their trade with India, which they carried on under a systematic arrangement. But their best hopes were fleeting, their good fortune

was doomed to be short-lived. Under the pressing exigencies of politics the Emperor withdrew his support from the Ostend Company, while their settlements in India were suppressed by a native garrison of the viceroy of Bengal, whom the English and Dutch merchants bribed for the purpose with over 3 lacs of Rupees. Thus one more competitor disappeared from the field after extending its once promising existence over a period of no less than ten years.

In the year 1721 the Company prayed to the King for an Act authorizing them to borrow money on their own account, for they found it difficult to to do sufficent business without an adequate amount of cash in hand. An Act was accordingly passed in the same year conferring upon them the right to borrow money, but for the purposes of trade only. The extent of such money was, however, limited to as much as was lent by them to Government at the time, but in no case was it to exceed the sum of £ 5, 000,000. They were also strictly prohibited from agreeing for the repayment of the sums borrowed *on demand* or within a period of six months at the least.

Hitherto the Company were empowered to exer-

cise a sort of judicial function in their Indian Colonies, the performance of which was entrusted to the same persons, who had charge of their factories and trade in India. It was now thought expedient, however, to establish distinct Courts for the better and more effectual administration of justice; and an Act was passed in the year 1726, by which the Company were required to establish judicial institutions, one in each of their three presidencies of Bombay, Bengal, and Madras. They were called the Mayors' Courts; and were presided over by the Mayors of their respective presidencies, each assisted by nine aldermen. Their jurisdiction extended over all civil and criminal cases, with the exception of those of High Treason as regards the latter. A Court constituted of the President and Council in charge of the Company's factories, was to be appealed to against the decisions of the Mayor's Courts in civil suits only.

The United Company were, however, not to be left to themselves for any considerable period. The year 1730 was to them a year of fresh troubles. Twenty-five years sufficed to erase from the memory of the people the difficulties of sustaining a rival effort against the established relations and a

century of experience of the privileged merchants. To men of a past generation belonged the fears of the destructive consequences of a commercial struggle. People once more grudged the exclusiveness of the Company's privileges, and their jealousy found vent this time, as usual, in a petition to Parliament. They based it upon the right of all British subjects to trade to any part of the world; consequently, they did not ask for the Company's monopoly to be transferred to themselves, for, that was precisely what they professed to oppose, but prayed that they may be authorized to keep supervision over the Indian department of British Commerce, which they proposed should be thrown open unreservedly to British subjects at large. In fact, they seemed to desire very little either of power or of profit for themselves. They also accompanied their petition with a very favourable offer of accommodating the Government Treasury with a large sum of money for which it stood indebted to the United Company, and the discharge whereof was necessary before the latter could be deprived of their monopoly. The merchants of London, Bristol, and Liverpool, also, came forward to support the Company's opponents, and submitted three petitions

respectively to that effect for the consideration of Parliament.

It can be presumed, therefore, that a prayer so judicious and savouring of the least selfishness possible under the circumstances, accompanied by no inconsiderable offer of pecuniary help, and backed by the representatives of the mercantile community of the Kingdom, could not have failed to secure the attentive consideration of the Legislature. And that consideration was not refused it; but ultimately Parliament pronounced its decision in favour of the United East India Company.

The period of the exclusive privileges of that body now drawing to a close, they prayed for and received an extension of it to a further term of thirty-six years, that is to the year 1766. But in 1744, a fine opportunity presenting itself, the Company were induced to offer Government a loan of £ 1,000,000, at an interest of three per cent. per annum, with the object of getting an addition of fourteen years to the period of their last Charter. Their offer was accepted; and an Act of Parliament renewed their Charter, and confirmed them in the enjoyment of their monopoly till March of the year 1777, exclusive of the three years' notice due to them.

In the course of these renewals of their Charter, the Company took opportunity of intimating that, they were entitled to the monopoly of the East India trade in perpetuity. This claim would have, no doubt, been made the subject of a special investigation but for the Company's promising to relinquish it, on condition that nothing in future should bar their right to continue a body corporate as long as they wished and to trade to the East Indies for any length of time though their exclusive privileges should be withdrawn.

The constitution of the East India Company suffered no important change in the course of the next fifteen years, during the whole of which period their attention was engrossed more or less with affairs relating to the aquisition of dominion in India, to which they now openly aspired. By the year 1769, however, they had made themselves masters, by force of arms, of a sufficient portion of the Indian Empire to give rise to the question whether the Company were entitled to hold jurisdiction over their Indian territories. Lord North, then at the head of the Ministry, took up the question with an earnestness, which promised a thorough investigation into the subject. The Char-

ter of the Company was examined into, and it was found that they were empowered to take up arms against the native Princes in India only when their own defence required it; consequently, the Company's conquests in India were pronounced illegal, and the Minister demanded that the territories acquired by the Company as the King's subjects, should be made over to the Crown. The Company protested, and a lengthy correspondence ensued. The Minister's demand was at length compromised by the Company's agreeing to pay £400,000 annually for five years to the nation, in consideration of the territorial revenues being conceded to them for that period.

CHAPTER VI.

THE REGULATING ACT OF 1773.

1770—1774.

The evils arising from the servants of the East India Company being allowed to trade on their own account—Lord Clive remedies those evils—The negligence of the Company involves them in difficulties—A bad hour for the Company—They seek support from Government—The same vouchsafed to them, but on conditions very disagreeable to them—A Bill introduced in Parliament by Lord North for the better regulation of the Company's affairs—The Bill vehemently opposed by the Company, the City of London, and other bodies—Becomes an Act—Functions of the Governor-General, of his Council, and of the Supreme Court, under the new Act, described—The Board of Trade—New Government proclaimed in India.

SOON after the formation of the United East India Company, one of the measures adopted by the Court of Directors, with a view "to propagate the future interests of the English nation in India," was to fix the salary of their President at Calcutta at £ 300, of the Members of Council at £ 40 each, of the Junior Merchants at £ 30 each, of the Factors at £ 15 each, and of the Writers at £ 5 each! It would be absurd to suppose that persons could be induced to come all the way from their homes to a distant land on such meagre salaries to plod there at the desk from morn till eve while consuming beneath the uncongenial warmth of a

tropical sun. In order, therefore, to make the compensation adequate to the services required, the Company allowed their servants the privilege of trading on their own account. This was a "penny wise and pound foolish" policy. The servants of the Company became not the servants of their masters' interests but of their own, and, under the circumstances, it would be impossible to expect otherwise. Junior Merchants and Writers worth £ 20 and £ 30 per mensem, returned to England with princely fortunes after serving a few years in India. Distant Hindoostan possessed the charm by which supperless English lads and wandering ragamuffins were metamorphorsed into Nabobs or Princes simply by residing in India for a short number of years. The increasing powers of the Company made their servants more liable to corruption; bribery and rewards were openly extorted and received by the Company's officials as presents and legitimate profits of their privileged trade. By the time of which we are speaking, these corrupt practices grew to such an enormous extent that, it would not have been possible for them to have grown further. It would not have mattered much, however, if these foul doings had only resulted in enriching the

servants of the Company, but the very fact that, the influence and honour of the Company's name were made instrumental not to the advantage and profit of the Company themselves, but to gratifying the dishonourable cupidity of their servants, is sufficient to illustrate the serious consequences which resulted from these malpractices. In proportion to the regard paid by the Company's servants to their personal interests, those of their masters' became disregarded. The Company became aware of the fact that connivance any longer at this state of affairs would speed them to destruction; and in 1765 entreated Lord Clive to proceed to India a third time to fight a battle far harder than any he had formerly achieved. The "sensible booby" of his father already knew the cause of the Company's complaint, and knew how to remove it too. He applied himself to the task with a capability and a determination which had their full reward in its accomplishment. This his last exploit in India his Lordship is known to have looked back at with most pride in his latter days. And, indeed, when we consider the immense difficulty of the task, when we consider its unpleasant nature, when we consider that his Lordship had full knowledge that he was

staking both his fame and his fortune in the hopelessness of recovery before he volunteered to undertake it, it is impossible not to be convinced that the courage of the soldier and the resolute mind of the statesman are entitled to the lasting gratitude of India and to the warm admiration of mankind. He freed a noble service from the corruption and confusion in which it had foolishly involved itself; he liberated a large country from the rapacity of foreigners, whose "natures had fallen into revolt when gold had become their object." However condemnable his conduct on frequent occasions in the early part of his career, however great the unhallowed profits he himself reaped by the same malpractices which he subsequently remedied, it is confessedly obvious that the English straight-forwardness, which he displayed in reforming the abuses of the Company's servants during his last visit to India won him greater honours than even his most hard fought battle, the battle of Plassey. To the worth of his Lordship's services, the Council in Bengal thus bear testimony in one of their letters to the Court of Directors in England :—

"We should be wanting in the just praises of superior merit, and in gratitude for the essential

services performed by Lord Clive, if we failed to acknowledge that, to the prudence and vigour of his administration, you are chiefly to ascribe the present flourishing condition of your affairs."

Then further the Council say:—

"We beheld (in 1765) a Presidency divided, headstrong and licentious; a Government without nerves; a treasury without money; and a service without subordination, discipline, or public spirit. * * * Your present situation (in 1767) need not be described. The liberal supplies to China, the state of your treasury, of your investment, of the service, and of the whole country, declare it to be the strongest contrast to what it was."*

In the course of his reforms Clive had impressed upon the authorities the necessity of wresting from the Company's servants the privilege of private trade; and of prohibiting them from accepting pecuniary or other presents from the natives. He himself strictly enforced these rules; and before he left the shores of India for the third and last time,

* Auber's Rise and Progress of the British Power in India, Vol. I. pp., 176 and 177.

he took care to show the authorities the importance of carefully maintaining the reforms which he had inaugurated. It seems, however, that the Company were, in spite of all their endeavours to the contrary, inevitably doomed to a new crisis. It is strange to think that they soon forgot to act upon the dear-bought advice of Clive, and it is harder yet to account for this culpable negligence on their part when we consider the great importance attached to his Lordship's suggestions at first. Thus the authorities at Calcutta pledge themselves to act up to his Lordship's advice :—

"We repeat" they wrote to the Court of Directors, "what we have already declared to Lord Clive, that no motive, no consideration, shall ever induce us to depart from that system of politics which has been recommended to us by precept and example, unless some very extraordinary event and unforeseen change should occur in the posture of your affairs."

For this wilful negligence, however, the Company had to pay dearly. Their revenue for the year 1770 instead of leaving a surplus, as was confidently supposed in the beginning of the year, even failed to meet the extravagant and fraudulent

expenditure of their servants. ... The Company's fanciful ideas of the untold treasures of India, and the exaggerated accounts of their servants of the value and importance of their territories, had led them to calculate upon a large return of revenue at the end of the year; and from this cause the failure of their high computations, grievous as it was in itself, was rendered more grievous still. The war with Hyder Ali, also, at this time, as well as the corrupt and erroneous policy of the Company's administration, of which their utter ignorance of the people they were ruling over was the prime cause, brought on a great reduction in their revenue. The Proprietors in England, again, contributed not a little to the difficulty of their situation by declaring just then a dividend of twelve and a half per cent. for themselves at this time. Added to all this, the dreadful horrors of an Indian famine overwhelmed Bengal at this period, in consequence of a failure of crops caused by the absence of rain in 1770. These difficulties threw the Company in a deplorable state, and brought on a crisis. In their hour of adversity the Court of Directors asked and received help from the Bank of England on two occasions, but the Bank refusing to accomodate

them further, they saw no other alternative but to seek remedy from the Minister by praying him to relieve them from their distressed state. On the first occasion the Bank of England was induced to grant them a loan of £ 400,000; and before a fortnight elapsed they once more persuaded the Bank to accommodate them with a second loan of £ 200,000. In a fortnight more, the Company again found themselves totally unable to meet the pressing demand of their creditors and even their current expenditure; consequently, on the 10th August, we find their Chairman and Deputy before the Minister with hat in hand for a loan of £ 1,000,000 as a temporary relief from their pecuniary embarassments.

During two or three years past the disordered and distressed state of the Company's affairs had revived the old animosity of the people, which, though successfully repelled on all former occasions by the Company, had done so much towards making their name odious and contemptible throughout the country. As usual, the mass of the people readily understood the disorganized and confused state of the Company at this time as greatly to the disadvantage of the latter as possible. And, though

it must be admitted that, sooner or later, the notorious maladministration of the affairs of the Company at home and the misconduct of their servants abroad, would have necessitated a thorough reform in their domestic and foreign administration, yet, the Minister's motion in Parliament, in the November of 1772, to appoint a Committee of Secrecy to report to the House the Company's situation, after making a thorough investigation into the state of their affairs, can be mostly attributed to the popular clamour against them. In the course of his speech in support of this proposition, Lord North expressed great confidence in the internal strength of the Company, but impressed on the House the importance of his measure by referring them to the dissatisfaction that prevailed in the nation in respect of the Company's situation. The Minister's motion was agreed to by the House, and a Secret Committee, consisting of thirteen gentlemen, was appointed.

It was a few months after this resolution was adopted, that the Chairman of the Directors of the East India Company prayed to the Minister to accomodate the Company with a loan £1,000,000 from the Treasury, as is mentioned above. The

Minister pretended to regard this application coolly, and referred the Company to Parliament,

It will have been observed that, up to the last three or four years, Parliament had not bestowed any serious consideration upon the state of the Company's affairs at home, and none whatever upon their affairs in India. But the time had arrived when it was impossible to continue thus unconcerned any longer. The Minister, when he referred the Company's application for support to Parliament, already knew the course he was to pursue with regard to it, and, when the Company's petition to Parliament for a loan came to be considered before the House on the 9th of April 1773, he rose to propose the terms upon which the House should decide to accede to the Company's prayer. He proposed: That a loan of £ 1,400,000 be granted by the nation to the Company at 4 per cent. interest: That, till they repay the loan, the Company be released from the annual payment of £ 400,000 to the Public Treasury (to which they were liable by a clause in their Charter): That, till that time, the Company be restrained from declaring a dividend of more than six per cent., per annum, on their capital stock, and of more then seven per cent. till their Bond Debt

was reduced to £ 1,500,000 : That, from that period, three-fourths of the Company's surplus net profits at home, above the sum of eight per cent., per annum, on their capital stock, should be paid to the public : That the remaining fourth of their surplus profits be contributed either towards further reducing their Bond Debt, or towards forming a Reserve Fund to meet contingencies : That, under these stipulations, the Company be allowed to remain in possession of their Indian territories for the remaining six years of their last Charter.

These terms, the Company deemed as encroachments upon their free rights. On the 3rd May following, they presented a petition to Parliament against the arbitrary conditions of the Minister; but, though the Company were supported by the whole 'Opposition' in the House and by many influential members of their own body, their protest availed them nothing. On the other hand, in the course of the debate which followed the reading of the petition, Lord North further proposed to bring in a Bill to establish certain regulations for the better management of the Company's affairs, both in Europe and in India. The Bill contained these propositions among others :—

That the qualification for voting in the Court of Proprietors be raised from £ 500 to £ 1,000 :— That a holder of £ 3,000 Stock in the Company be entitled to two votes; of double that amount to three; and of Stock worth £ 10,000 to four :— That no person should have the privilege of more than four votes :—That the election of Directors take place every fifth year, a fourth of their number to resign annually, whose places were to be supplied by a fresh election :—That a Governor-general with a salary of £ 25,000, a year, and four Counsellors, each on an annual remuneration of £ 8,000, be appointed, in whom to vest the Government of Bengal, Bahar, and Orissa, for a term of five years :— That the jurisdiction of the Mayor's Court at Calcutta extend, in future, over small causes of a civil nature only :—That a Supreme Court of Judicature, with large powers, be established at Calcutta, to be presided over by a Chief Justice with a salary of £ 8,000, per annum, and by three Puisne Judges on a yearly pay of £ 6,000 each :—That the choice of appointing such Governor-general, Counsellors, and Judges lie with the Crown for the first time, after which the nominations to those places be made by the Company, subject to the approval of

the Crown!—That the other Presidencies in India remain subordinate to that of Bengal:—That information regarding the Company's Civil, Military, and Financial affairs in India, be supplied to the Ministry from time to time:—That all persons in the Indian service, either of the Crown or of the Company, be prohibited from receiving any presents from the native Princes or people in India:—That the Governor-general, the Counsellors, and the Judges be restricted from engaging in any commercial transactions whatever.

Without undertaking to enter at present into the merits or demerits of the Bill which embodied these propositions, it may be remarked that, the chief cause which led to the origin of the Regulating Bill was Lord North's greediness of power. His Lordship was not free from the fanciful belief of the gorgeous treasures of India, which obtained at the time throughout England and even over the whole Continent; and it was but in accord with those times that the Minister should think of making his high office, for a time, instrumental to the personal advantage of himself and of his party. It is quite obvious that the provisions in the Bill, which ordained the election of Directors to take place every

fifth year, and which disqualified the general body of Proprietors from removing them at their pleasure,—which latter right the Ministry managed to transfer over to themselves,—secured to the Minister the permanent subserviency of the Directors to their purposes. It is plain that many other propositions in the Bill were likewise intended to bring the Company as greatly as possible under the control of the Crown, or, to resolve still further, under that of the Minister. But amongst all those self-interested propositions of Lord North, there were a few, which, on account of the good brought about through their agency, are worth mentioning. They were no other than some of the last suggestions of Lord Clive, which the Company had left unheeded. It will have been observed that adequate salaries were secured to the Governor-general and other high functionaries, and they were strictly enjoined not to engage in commercial pursuits. These measures may be reckoned as the first effectual means of reforming the Company's Revenue System, which had so long stood in need of some substantial improvement.

The Introduction of the Regulating Bill into Parliament, which, according as the Minister view-

ed it, was "framed with a view to the placing the affairs of the Company on a solid, clear, and decisive establishment," excited both the fear and the indignation of the Company. They viewed the Bill in the light of a measure intended to annihilate the powers of the East India Company and to transfer them virtually to the Crown, which "most alarming circumstance" they resolved at once to bring to the notice of Parliament. They sent a message to "The Right Hon'ble the Lord Mayor, Aldermen, and Commons of the City of London in Common Council assembled," inviting them to co-oporate with them in opposing a measure of the Legislature, which, while it severely affected the Company's powers directly, rendered insecure the privileges enjoyed by the City of London itself. Accordingly, petitions from the City of London, from the United East India Company, and from other bodies, couched in language of the utmost severity, were presented to Parliament. On the Company's prayer, even counsel were allowed to plead in their behalf at the bar of the Commons. But the vehement language of the petitions and the strong arguments of the Company's counsel only availed to add a little to the severity of the censure which a few of the

members in the House scoffed against the Bill. The opposers, indeed, brought no small amount of eloquence with them to denounce the Minister's Bill, and were most unsparing in their treatment of it;—one member is known to have called it "a medley of inconsistencies, dictated by tyranny, yet bearing throughout each line the mark of ignorance." Yet in spite of all this opposition, the Bill was read a third time in the House of Commons on June 10, and passed by a large Majority of 131 over 21. In the Upper House also, it was carried, a protest being entered by thirteen noble members against it; and on the 1st day of July, 1773, the Royal Assent passed it into the famous Regulating Act.

With this event dawned a new era in the history of the East India Company,—in the administration of the British Rule in India.

Warren Hastings was then Governor of Bengal, and he was appointed to continue in his office under the new name of Governor-general; and Lieutenant-general Clavering, the Honourable George Monson, and Richard Barwell and Philip Francis, Esquires, were appointed to take office in the Supreme Council. General Clavering was also appointed to the

command of the Company's forces in India. Sir Elijah Impey was nominated to the Chief Justiceship of the Supreme Court of Judicature, and three other gentlemen to the puisne judgeships. These appointments were made by the Crown, and named in the Act.

It would not be irrelevant, perhaps, to describe here briefly the functions of these high officials, and the power assigned to them by the Regulating Act. The Governor-general was, of course, the highest authority in the British Indian Empire: he was *ex-officio* President of the Supreme Council, which consisted of four members besides; but he had only one vote, and a casting vote in case of an equal division. All questions regarding the internal administration of India were brought before the Council, and were decided according to the opinion of the majority. The Governor-general and his Council were empowered "to make and issue rules, ordinances, and regulations," if deemed necessary; and such rules, ordinances, and regulations were to be sent home for approval.

The Supreme Court was made quite independent of the Governor-general and his Council. It was invested with great powers, and the civil and

criminal jurisdiction it enjoyed was immense and undefined. All criminal offences were to be tried before juries composed of British subjects. Appeals against the decisions of the Provincial Courts were to be heard by the Supreme Court.

It was necessary to appoint a body to whom to entrust the conduct of the Company's commercial affairs. For this purpose a Board, which was called the Board of Trade, was nominated.

Originally it was directed that the Constitution of the New Government under the Regulating Act should be proclaimed in India on the 1st of August, 1774, on and after which date its operation was to commence. But on account of the delay, in the arrival at Calcutta, of the three Members of the Governor-generals' Council, appointed in England, that event was postponed for a short time. And it was not before the 20th of October, 1774, the day following the arrival of the three Counsellors, that the Sheriff proclaimed to the people of Bengal the dissolution of the Old, and the commencement of the New Government.

CHAPTER VII.

THE DEFECTS OF THE 'ACT OF 1773'.

1774—1781.

Lord North aims a blow at the East India Company—His Lordship's intention severely attacked by Mr Fox and Mr Burke —Indian affairs again demand the attentive consideration of the Legislature—Temporary Renewals of the Company's Charter—The Constitution of the Supreme Court of Bengal under the Regulating Act a blunder—The ambition for power of the Judges—Their arbitrary conduct—Its effect on the native mind—The opposition of the Governor-general and Council —Petitions against the Supreme Court submitted to Parliament by the Governor-general and Council, and by the British residents in Bengal—The same referred to a Select Committee— A Secret Committee appointed to inquire into the causes of the Carnatic War—The East India Company's Charter renewed in 1781—An Act of Parliament defining the jurisdiction and power of the Supreme Court.

IT has been mentioned in the preceding chapter that, when Lord North granted to the Company the loan of £ 1,400,000, prayed for by them, it was stipulated that they were not to divide more than six per cent., per annum, on their Capital Stock till that debt was discharged, nor more than seven per cent. till their Bond Debt was reduced to £ 1,500,000. The Charter of 1773 also confirmed them in the possession of their Indian territories for the following six years, at the end of which

period the term of the Company's Charter of 1744 was to have closed. Those six years terminated in 1779; and, by that time, the Company also succeeded in discharging and reducing their loan and debt according to their agreement. It was again time, therefore, to consider the terms upon which their Charter was to be renewed, but the question was thought of too great and too wide an importance to be made the subject of a hasty decision. Consequently, an Act was passed in 1779 prolonging the term of the Company's last Charter by one year, and also declaring the Company at liberty to divide 8 per cent. on their Capital for that year.

A protracted correspondence then ensued between the Treasury and the India House on the subject of the renewal of the Charter. The Company framed some propositions upon which they wished to have their Charter renewed, and forwarded them to Lord North for his consent. But the desire to possess the patronage of the Company, and the dislike which his Lordship, in common with the people, entertained towards that body, induced him to be unusually severe in his treatment of them. He rejected their proposals, and in the following session of Parliament moved

a resolution which aimed at nothing short of the complete annihilation of the Company. His Lordship said that the Company had offered no proposals for a renewal of their Charter, and, therefore, moved "That notice be given that the Capital Stock or Debt of £ 4,200,000 payable from the public to the United Company of Merchants trading to the East Indies, will be redeemed and paid off on the 10th of April 1783." This injudicious motion called forth bitter remonstrances from several members in the House. Mr Fox and Mr Burke attacked it mercilessly. The former called the motion "a threat, the idlest of all possible menaces"; and the latter characterized the Minister's intention to give the final notice to the Company as "the most wicked, absurd, abandoned, profligate, mad, and drunken intention that ever was formed." They asked Lord North if the lesson taught him by the loss of America was lost upon him, and if he would not rest contented till he had reduced the dominions of the English Crown to the confines of Great Britain. They asked his Lordship if he knew of any other medium than the East India Company, through which to pass the Indian revenues to the English Exchequer.

The noble Lord was openly accused of being covetous to possess the patronage of the Company, and was charged with ingratitude towards those who had done such splendid services to his country as the East India Company.

This question was still being debated when the period of the renewed Charter expired. Consequently, another Act was passed prolonging the term to a further period of one year.

Contrary to expectations, the interference of the Legislature, in 1773, in the regulation of the government of the British possessions in the East Indies, had created such a confusion and made the situation of the English so alarming that, the attention of Parliament once more began to be attracted to affairs in India more seriously than ever. The unwise policy which assigned such conflicting functions as were possessed by the Governor-general, the Council, and the Supreme Court under the Regulating Act; and the injudicious scheme which sought to establish laws suited to English society, to English customs, and to English institutions, amongst the various nations, religions, and languages of India, produced, in a short time, so many and such great grievances as pointed to the necessity of a

thorough reform in the functions of the several departments of the Indian Government. Again, the Act of 1773 had empowered the Crown and the Minister to appoint men of their choice in all the most responsible situations of the Indian administration. Unfortunately, they exercised their privilege without regard to the interests of the large nation entrusted to their care, and appointed men of uncongenial natures, quite unacquainted with India, and in no way connected with Indian interests, to places of wide powers and responsibility. This circumstance tended to heighten the miseries of the prevailing evils in a fearful degree.

The civil conflicts, which raged in the Council Chamber, were also brought from time to time to the notice of the authorities in England. By virtue of an anomalous clause in the Regulating Act, an adverse majority in the Council continually defeated even the most well-planned administrative efforts of the Governor-general, which often compelled the latter to depart from the legal mode of conducting the government, and act upon his sole responsibility. There was also a wide notion prevalent about this time in England about the alleged cruelties and iniquities of Hastings, which the malignity of Mr

(afterwards Sir Philip) Francis invented, and which his great influence in England worked hard to substantiate.

The Supreme Court in Calcutta was, as we have already seen, constituted independent of any other power in the land, and was entrusted with wide jurisdiction and undefined authority. All the former conquerors of India had suffered the people to be governed according to the established laws and constitution of the land. The East India Company had, from the very beginning of their operations as a governing body, very wisely adopted the policy of acting as the nominal servants of the Great Mogul under his apparent authority: and though the judicial administration of their territories was entrusted to what were called the Mayor's Courts, before the time of the establishment of the new system of Judicature under the Charter-Act of 1773, yet the show of those Courts acting under the authority of the Mogul sovereign, as well as the fact of their administering justice according to the general principles of equity and with a regard to the established laws of the country, had made them not only popular, but revered by the natives. So that when by virtue of the Regulating Act a

Supreme Court of Judicature was established at Fort William on the model of Westminister Hall to administer English laws to the people of India, the natives felt that their new rulers were subjecting them to an oppression, which they had known under no conqueror before. And well might a people so thoroughly devoted to the ancient laws and customs of their forefathers as the Indians so feel. Hitherto the English had bowed to the supremacy of the Great Mogul, and governed the natives with all due observance of their customs and prejudices. When a change in their long established policy came so suddenly, that the very suddenness of the event itself was sufficient to justify the indignant feelings aroused in the hearts of the people at the time. Yet, though great was the cause of the vexation, the inherent docility of the native would have soon reconciled him to the mild yoke of his new ruler; but unfortunately, the persons appointed to establish the newly assumed authority of the latter were the very worst that could have been chosen. Being constituted independent of any authority in India and vested with one of the two supreme jurisdictions—the political and the judicial—under the new government, the

judges actually set up a rivalry with the Governor-general and Council to assert their power over all parts of the country. They resorted to the most wicked expedients to prove their authority. They refused to adapt the English laws to the circumstances of the strange people upon whom they were so suddenly and erroneously inflicted. On the contrary, they were enforced in all their rigour without being seasoned with that mercy which is due to humanity. Terror seized all over India. No person, however innocent, thought himself safe for a moment. People were arrested and imprisoned without the slightest regard to their rank or position in society. The Court issued writs which warranted forcible entries into the harems of the Mussulmen, and the sacred apartments of the Hindoos. The judges even descended so low as to suffer themselves to be surrounded by crowds of vulgar barrators. By their tyrannical proceedings they roused the Mussulman and even the submissive Hindoo to fury; and it is said that on some occasions when the natives were forced to open the doors of their harems and of their still more impenetrable rooms which contained idols of worship, they dared to confront the authority of the Court

at the point of the sword. Every proceeding of the judges, to whose sacred office was entrusted the honour of the English nation, and whose duty it was, by a polite and moderate discharge of their functions, to make the British name beloved and revered through the length and breadth of India, was calculated to procure for that very name a hatred and an odium, which a wise and merciful government like that of the English alone can successfully erase from the memory of man.

The Chief Justice, however, was not yet satisfied. The passion to be the dread and terror of fifty millions of people ruled his heart. He was fired with ambition and seemed to say,

> "Oh, were I seated high as my Ambition,
> I'd place this naked foot on necks of Monarchs".

He wished to display to the bewildered natives the great power entrusted to his office by placing himself in an attitude of superiority to the very highest functionary in British India. He impudently summoned before him the Governor-general and Council to answer for their public Acts. It is not to be supposed that they had hitherto acted merely as mute observers of the tyrannical proceedings of the Judges. The friendship between Hastings

and Sir Elijah Impey had, it is not to be denied, induced the Governor-general to show a greater amount of forbearance than was in herent in his nature, but the acts of the judges were injudicious and oppressive to a degree such as it would have been absolute insanity to have passed over in silence. It was originally determined in Council to employ the powers of government to oppose the authority of the Supreme Court, and there were no two opinions on the question. Before the Chief Justice had the impudence to summon the Governor-general and his Council before him, the military force of the Company was employed to restrain the excesses of the Judicature, and the two highest power in the country, political and judicial, had clashed with each other. There was a complete scene of anarchy in India, and it was thought necessary to petition the British Legislature to remedy the evils of this abuse and violence of the civil power. Two petitions, one from the Governor-general and his Council, and the other from the British subjects residing in Bengal, Bahar, and Orissa, against the Supreme Judicature of Bengal were read in the House of Commons on the 12th of February 1781. They were supported in two very elaborate speeches by

General Smith and Mr Boughton Rouse, and ultimately referred to a Select Committee of fifteen members chosen by ballot.

A few days after, the attention of Parliament was again called to affairs in India. Lord North moved the appointment of a Secret Committee to inquire into the causes of the Carnatic War, and to report upon the existing state of the British territories in the East. As the Select Committee was chiefly represented by the Opposite side in the House, so was the Secret Committee represented by the Minister party. Of the former Mr Burke was the most prominent member; of the latter was Mr Dundas, the Lord Advocate of Scotland at the time. On the 9th May following, Lord North acquainted the House that he had not been able to effect an agreement with the Company as to the renewal of their Charter. They had asked for the full enjoyment of their chartered rights. His Lordship professed himself ignorant as to what the Company exactly meant by this demand. But he was decidedly opposed to their being allowed the right of uncontrolled superintendence over all their concerns, and exhorted the house never to entertain the idea of relinquishing their control

over the Company. At length, however, the differences between the Minister and the Company were reconciled, and an Act renewing the Charter of the Company for a period of ten years was passed. Among the provisions of this Act was one of some importance, which required the Directors of the East India Company to submit for his Majesty's approval all the despatches from them to India.

Another Act, distinctly ascertaining the jurisdiction of the Supreme Court of Bengal, and defining the authority of the judges thereof was also passed at this time. The following are its clauses :—

"The Governor-general and Council were not to be subject to the Supreme Court, but to a competent court in England, and if a bond was given to prosecute them, the party might compel the production of papers, and authenticated copies were to be received at Westminister.

"The Supreme Court was not to have jurisdiction in matters of revenue.

"No person was to be amenable to the Supreme Court on account of his being a farmer or a landowner, or because he was employed by the Company.

"The name of every native employed in the service of the Company in any judicial office, was to be

entered, and the death of any one so employed was to be recorded.

"All native servants, stewards, or agents, employed by any British subject, were to be specified by name in a book, and under a penalty. The names of all native partners were to be likewise entered, under a penalty for omission.

"The Supreme Court were to hear and determine suits between natives; the Mahomedans by the laws and usages of Mahomedans, and the Gentoos by the laws and usages of Gentoos; where there was only one party, by the laws and usages of the defendant.

"The rights and authorities of the fathers and masters of families were to be preserved to them within their said families; nor was any fact in consequence of the law of caste to be adjudged a crime, although the same might not be held justifiable by the laws of England.

"The Supreme Court might adjudge such process and make such rules and orders for the execution of suits against natives of Bengal, Bahar, and Orissa, as would accommodate the same to the religions and manners of the natives. The same to be sent home for his Majesty's approval.

"The Governor-general and Council might Determine appeals to the extent of £ 5,000 in civil cases.

"The Governor-general and Council were to frame regulations for the provincial Courts.

"The judicial officers in the Provincial Courts were not to be answerable to the Supreme Court for error in their decrees.

"Certain natives in prison at Patna were ordered to be discharged.

"The Governor-general and Council were indemnified for opposition to the process of the Supreme Court".—*Auber's East India Company.*

CHAPTER VIII.

MR FOX'S EAST INDIA BILL.

1782—1783.

The Reports of the Secret Committee—They blame the Company's Home Authorities, as well as their servants in India, for the bad state of affairs in the East—A Resolution moved, and agreed upon, in Parliament recalling Hastings from the Government of Bengal—The same successfully opposed by the Court of Proprietors—The Company petition Parliament to relieve them from their new monetary embarassments—Relief partially granted—Mr Dundas' intention to bring in a Bill for the better regulation of the British Indian possessions—Finally abandoned for want of support—Mr Fox's East India Bill—Severely attacked by Mr William Pitt and others—Petitioned against by the East India Company, the Court of Directors, and the City of London—Passed by a great majority through the Commons—Its progress in the House of Lords arrested by the King's displeasure of it being made known—Its final failure.

In April, 1782, the Secret Committee appointed on the motion of Lord North to investigate into the causes of the Carnatic War, presented their reports to Parliament. The Committee had made the most exhaustive researches in the course of their investigation, and came to the conclusion that gross misconduct on the part of the Company's servants in India was the chief cause of the calamitous issue of the Carnatic War, as well as of the

distracted state of affairs in the East. They also thought that great blame attached to the Court of Directors for their negligence in not censuring the oppressive and violent acts of their servants in India as long as such acts were calculated to result in profit to the Company. On the night of the 9th April, Mr Dundas moved that the reports of the Secret Committee be referred to a Committee of the whole House; and in the course of his speech on the occasion, submitted more than one hundred resolutions for the consideration of the House. They were mostly made up of reproaches and censures on the various acts of the Court of the Directors, and of the governments of the three presidencies in India. One of the resolutions was "That Warren Hastings, Esquire, Governor-general, and William Hornby, Esquire, President of the Council at Bombay, having in sundry instances, acted in a manner repugnant to the honour and policy of this nation, and thereby brought great calamities on India, and enormous expenses on the East India Company, it is the duty of the Directors of the said Company to pursue all legal and effectual means for the removal of the said Governor-general and President from their respective offices, and recall them to Great

Britain." A majority of the House voted in favour of this resolution.

But the Proprietors thought that a resolution like this was an unnecessary interference on the part of the Legislature, and an encroachment upon the rights which solely belonged to them of managing their own affairs; consequently, a Special Court of Proprietors was called to take the subject into consideration, where it was resolved to recommend the Court of Directors not to take any steps for carrying into effect the resolution relative to the removal of Hastings, until such steps shall have received the sanction of the Proprietors. The Directors, however, on the following day resolved that the orders enforced by them had been so often neglected by their servants in India, that it was expedient to give effect to the resolution of Parliament to remove Hastings.

In the preceding March, Lord North had resigned the Premiership, and was succeeded by the Marquis of Rockingham at the head of a new Cabinet. The new Ministry was, like its predecessor, greatly averse to the interests of the East India Company, and consequently the proceedings against the latter were carried on without any interruption. The Directors having given their consent to the recall of

Hastings, that event now became a certainty. But just at this time the Minister died; and the Proprietors, in another Special Court held on the 21st October, recommended the Court of Directors to rescind their resolution recalling Warren Hastings from the Government of Bengal; in consequence whereof the Governor-general was allowed to continue in his office. On the death of the Marquis of Rockingham the Earl of Shelburne, who was a member of the Rockingham Ministry, became Prime Minister. But the members of the Cabinet not choosing to act under their new leader, resigned, and the Premier had to form a new Ministry. Within a year the Shelburne Cabinet was also dissolved, when the famous Coalition Ministry, with the Duke of Portland at their head, stepped in.

On the 5th March, 1783, when still the Shelburne Ministry was in power, Sir Henry Fletcher presented, on behalf of the East India Company, a petition to Parliament, for relief from their pecuniary embarassments in which, it seems, they had again been involved. This petition was referred to a Committee, and ultimately its prayer was partially granted by the issuing of a loan of £300,000.

Mr Henry Dundas, whose connection with the

Secret Committee had made him thoroughly acquainted with Indian affairs, moved the House of Commons on the 14th April for leave to bring in a Bill for the better regulation of the British Indian territories. Mr Dundas proposed to extend the powers of the Governor-general much more than were already possessed by that official. He wanted to make the inferior governments of the other presidencies subordinate to the Government of Bengal; and also intended to authorize the Governor-general to act against the will of his Council, but on his sole responsibility in such a case. Leave was granted to Mr Dundas to bring in his Bill, but he despaired of the necessary support, and, of course, ultimately abandoned his intention.

But East India affairs stood at this time in great need of some speedy settlement. The importance attached to them will be best understood by the following paragraph which formed part of the short address by the King on the occasion of the meeting of a new Parliament on the 11th of November 1783:—

"The situation of the East India Company will require the utmost exertions of your wisdom, to maintain and improve the valuable advantages

derived from our Indian possessions, and to promote and secure the happiness of the native inhabitants of those provinces."

The whole Parliament, with one opinion, acknowledged the necessity of a reform which had been delayed so long on account of the late rapid changes of Ministry. Mr Fox, who was an active member of the new Cabinet, promised to pay his most serious and immediate attention to the matter; and in the fulfilment of this promise brought up, on the 20th November following, a Bill before Parliament, known as Mr Fox's East India Bill,—the valuable production of the joint labours of his parliamentary colleague, Mr Edmund Burke, and himself. At first, Mr Fox's plans were embodied in two separate Bills, but at a subsequent stage in their progress they were united and made into one.

Mr Fox wanted to abolish the two Courts of Directors and Proprietors and to introduce quite a new system for administering the affairs of the East India Company. He proposed to establish two new boards, to consist of seven and eight persons respectively. The first of these boards, consisting of seven members, was to be entrusted with full control over the government of the Company's

territories in India, and with full power to appoint and remove officers in the Company's Indian service. This body was also to have control over the other board of eight members, who were called Assistants, and in whose hands it was meant to confide the commercial concerns of the Company. The proceedings of both the boards were to be recorded.

Strict obedience, on pain of dismissal, to the orders of the Commissioners, as the members of the head body were termed,* was to be enforced on their servants in India, as it was found that the then obtaining practise of disregarding the orders of the Court of Directors by their officers in India had caused considerable annoyance and had often been very prejudicial to the interests both of the Company and of their native subjects in the East. There was a provision, however, in the new Bill, which authorized the Commissioners to use their discretion in enforcing their power of recall, for it was wisely conjectured, that necessities might arise when disobedience of orders from the home authorities on the part of officers in India could be made jus-

* At a late stage in the progress of Mr Fox's Bill, "Commissioners" was changed all throughout the Bill to "Directors," as the former word was objected to.

tifiable. But in cases where disobedience of orders was not punished with dismissal from service, the Councillors were to record their reasons for thesame.

The nominations to the head board were to be made for the first time by Parliament, and if the experiment had so far succeeded as to effect the good it was intended for, the King, that is the Minister, was to have the right of future nominations. In order to show that there was some necessity for Mr Fox's proposal to confer this great privilege on the Ministry, it was alleged that parliamentary nominations had caused much inconvenience, in proof of which allegation it was urged that in some instances the Governor-general, deriving his appointment from Parliament, had dared to dispute the authority of the East India Company, of Parliament, and of the King himself.

Mr Fox's Bill was also intended to put down the illicit practice of receiving presents from the natives, which had inflicted innumerable hardships on the people of India, and which the East India Company and subsequently Parliament itself had attempted, but without effect, to forbid.

Another important item in the Bill related to the right of holding lands in India. The prevailing

system was to hold up lands to competition without defining certain periods: so that the consequent uncertainty of their possession tended to arrest the progress of agriculture and general improvement in the country. This evil Mr Fox proposed to remedy by assigning a fixed price to all lands, the payment of which was to entitle the owner to hold his land as long as he wished.

It was also recommended to the Company to abolish the system of granting monopolies of the different branches of their trade, for it was successfully proved that interested parties had always turned the practice to their immediate advantage to the immense prejudice of the Company's trade.

After the Bill was read for the first time in the House, on which occasion it was strongly denounced by many of the 'gentlemen opposite,' foremost among whom was Mr William Pitt, who declared the proposed system to be nothing more on one side than absolute despotism, and on the other side the most gross corruption; two petitions, one from the East India Company and the other from their Court of Directors, were presented to Parliament praying that the Bill be not passed into law. The Company very naturally viewed the new Bill

as intended to deprive them of the rights and privileges vouchsafed to them a long number of years ago, and in which they were by repeated Acts of Parliament confirmed from time to time. They opposed the Bill on the ground that its adoption would inflict upon them severe punishment without even the shadow of a charge being preferred against them. The petitioners prayed to be heard by counsel against the Bill; and the House granted them the privilege. Another petition against the Bill was also preferred by the City of London.

A little consideration will suffice to explain the strong opposition which the Bill called forth. To what but the most selfish motives can be attributed the wicked attempt of Mr Fox to deprive the control over a most valuable possession from its rightful owners and to transfer that power to his own party? For, it will be readily seen, that Mr Fox's proposal to abolish the two Courts of Directors and Proprietors, and to establish a new Board with full control over the Company's affairs, the nomination to which board he proposed to reserve to the Minister, aimed at no other but this end. And then, not only did Mr Fox contrive to bring the East India Company under the abso-

lute authority of the Minister, but at the same time attempted to enlarge the powers of the latter to a dreadfully enormous extent. Though these selfish motives which lay at the bottom of Mr Fox's affair were unreservedly exposed to the House by Mr Pitt and others of his party, yet the influence of the Ministry, and the force of argument of the very lengthy speech of Mr Burke's in support of the new Bill operated so strongly upon the House, that large majorities voted in favour of it. In the Upper House also it progressed very favourably, and, though the East India Company and the City of London submitted fresh petitions to the Lords against the Bill, to all appearances there seemed nothing that did not answer to the best expectations of its supporters. But the evil of the undefined authority with which its adoption would have invested the Minister, were impressed upon the people with greater force than hitherto, which originated a general clamour against it. The King, also, was much alarmed at the stretch of the Minister's power, which it was feared Mr Fox's measure, if adopted, would result in. His Majesty, therefore, engaged Earl Temple to represent to the House of Lords, in an indirect manner, that the Bill de-

pending in their House was greatly offensive to him. This, of course, proved the death-warrant of the Bill, and a majority of 19 peers finally rejected it on the 17th of December, 1783.

CHAPTER IX.

MR PITT'S REJECTED EAST INDIA BILL.

1783—1784.

The Coalition Ministry dissolved—Mr Pitt becomes Premier—The Commons' Resolution on the Acceptance of India Bonds—The Premier reluctantly brings in his First East India Bill—The same Rejected—Mr Fox obtains leave to introduce another East India Bill—The expected Resignation of Mr Pitt—Agitation in Parliament in consequence of the Minister continuing in Office—The King dissolves Parliament—Assembling of a New Parliament wherein Pitt has the Majority.

The fate of Mr Fox's East India Bill also decided the fate of the notorious Coalition Ministry. It had rendered itself very obnoxious to the people, and its dissolution was looked to now as a matter of course. The King was also very much disgusted with the Ministers,—so much so, that when at twelve o'clock on the night following the defeat of Mr Fox's Bill, the King's pleasure was announced that the two Principal Secretaries of state—Mr Fox and Lord North—should deliver up the seals of their offices, it was intimated that, as a personal interview with the Secretaries would be disagreeable to his Majesty they were not to deliver up the seals to the King with their own hands according to the usual custom, but were to send the same

by the Under-Secretaries. On the following day His Majesty called upon Mr William Pitt (then only twenty-three years old) to form a new Cabinet.

The young statesman had, on the occasion when it was proposed in Parliament to commit Mr Fox's Bill, concluded his speech against the motion by pledging himself, in the event of the defeat of the proposed measure, to bring forward a new East India Bill of his own, which while it would have been adequate to its purposes, would have been quite free from the violence, mischief, and selfishness of the depending measure.

On the 24th December following, Lord Beauchamp proposed, in a Committee of the whole House, and Mr Fox seconded, that unless the House of Commons shall be satisfied that the East India Company are in a position to ensure the payment each time of the bills drawn or to be drawn from India, after they had regularly discharged the sums owing by them to the public and their other creditors, no such bills from India ought to be accepted by the Lords of the Treasury. After a brief debate this resolution was agreed to.

In the fulfilment of his promise, and pressed by the existing necessity of speedily reforming

the management of affairs in India, the young Premier moved the House on the 14th of January, 1784, for leave to introduce a new East India Bill, though he was very reluctant to do so as he apprehended very strong opposition.

In this Bill Mr Pitt suggested the appointment of a Board of a certain number of Commissioners, being members of the Privy Council, of whom the Secretary of State for the Home Department, and the Chancellor of the Exchequer were to be two *ex-officio* members. The nominations to this Board were to be made by the King. In these Commissioners was to be vested the right of entire control over the British Indian territories as well as over the domestic affairs of the East India Company excepting those of their Commercial Department. The Commissioners were to have free access to all the papers and vouchers of the Company: all the proceedings of the Judicial Courts in India and of the Company's other officers were to be unreservedly submitted to the new Board: no letters or despatches relating to the civil or military governments, or of the revenues, of British India were to be transmitted to India by the Court of Directors without the sanction of the government

Commissioners being first obtained; and whenever the Commissioners deemed fit to decline their sanction to any such letters, they were to record and intimate their reasons for the same to the Court of Directors. The Court of Directors were bound to obey all the commands of the new Board relative to the government of their Indian territories and the revenues thereof; but they were authorized to appeal to the King in Council to be allowed to disregard such of the orders of the Board as they might reasonably deem to be not falling within the province of the Board's functions. The decision of his Majesty was to be the *finale* of such disputes. The Bill further provided for the establishment of administration in India. Mr Pitt preserved the same constitution as that authorized by the Act of 1773; but proposed to vest the right of nomination to the Commanderships-in-Chief of the different Presidencies in India in the hands of the King solely, while the appointments of the Governor-general and the members of the Supreme Council were to be made by the Directors of the United Company subject to the approval of his Majesty.

On the motion of the Bill's being committed,

a majority of eight voting against it, it was thrown out.

On the same day Mr Fox announced to the House his intention to bring before them a fresh East India Bill. He intimated that the Chief characteristics of his Bill would be, first, the permanency of its measures, and, second, the establishment of a body in the heart of England, who should be responsible for the good or bad administration of the British territories in India. Leave was granted for the introduction of the Bill, but the approaching close of the existing Parliament, and an adverse majority in the next, precluded its ever being brought into existence.

The failure of Mr Pitt's East India Bill gave great cause for exultation to the Coallied Ministers, who indulged in the hope that that event would drive the Pitt Cabinet out of office. But as no indication of Mr Pitt's resigning office was evident for some time, the House became anxious to know what turn affairs were to take. On the motion of Mr Erskine it was resolved to present an Address to his Majesty humbly representing that a dissolution of Parliament would be, in the then confused and disorganized state of the nation, the worst mis-

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fortune that could possibly befall the country. Mr Pitt's ingenuity contrived an answer to this address which defeated the sanguine expectations his opponents were induced to indulge in on the strength of the extreme step they had taken to advise the King against his Minister. The ambiguity of the King's reply vexed the members on the opposite bench very much, and Mr Pitt was called upon to explain it to the House. But the young Minister having followed the unusual custom of continuing in office even after Parliament had repeatedly declined to repose their confidence in his party by more than once rejecting his resolutions, had found shelter against the unsparing attacks of his enemies in silence; and in this course he still persisted. But Mr Fox having gone the length to charge his antagonist openly with holding in contempt all that the House of Commons said and did, and his conduct as unconstitutional and without a parallel, Mr Pitt was obliged to throw off the silence he had hitherto persisted in. He professed the greatest reverence for Parliament and its acts, and though he freely acknowledged that his conduct was unusual, still, he submitted, it was far from being unconsti-

tutional as it was not the Parliament, but the King, with whom rested the appointment or dismissal of Ministers.'" The unusual nature of his conduct he justified by declaring that it was his duty to consider well what sort of persons would be at the head of the next administration before he threw off the great responsibility to which he was liable in his capacity of Minister, at a period acknowledged to be one of the most critical in the parliamentary annals of England. At length, however, the King dissolved the Parliament on the 7th April, 1784; and on the meeting of the New Parliament on the 18th of the following month, the friends of the young Minister had the satisfaction to find that no fewer than a hundred and sixty of the former supporters of the 'notorious Coalition' were supplanted by those who were in favour of the Pitt Ministry.

CHAPTER X.

MR PITT'S EAST INDIA BILL.

1784—1788

The New Parliament proceeds to investigate into the affairs of the East India Company with a view to affording them the necessary Relief—A Bill for the Relief of the East India Company introduced in Parliament and Passed—Mr Pitt introduces his new East India Bill in the House of Commons—Its several clauses described—Its progress in the Lower and Upper Houses—Its triumphant end—The Commutation Bill—Its partial object—Becomes Act—The three Acts of 1784 *reviewed at length—The true cause of the unanimity which prevailed between the Minister and the East India Company—The Three Acts of* 1786 *modifying parts of Mr. Pitt's East India Bill—The Declaratory Act of* 1788.

Not long after its meeting, the new Parliament went into a Committee to consider a fresh petition from the East India Company praying for relief from their new pecuniary distress, and to examine into their affairs preliminary to the introduction of a new measure for remodelling the Company's constitution. Mr Pitt divided the Company's grievances which the Committee were considering, into three principal heads:—The payment of the debts claimed by the public from the Company in respect of the duties leviable upon the various articles of their trade:—The want of authority of the Company to accept the bills drawn

from India exceeding in amount a stated sum per annum without the consent of the Lords of the Treasury :—The necessity of applying to the Legislature for authority each time the Company wanted to give dividends. After a long debate, the Committee, on the motion of Mr Pitt, resolved to direct their Chairman to move the House for leave to bring in a Bill for the relief of the East India Company. The Bill which was entirely in favour of the Company—it allowed a dividend of eight per cent., and respited the duties and remitted the interest thereon which the Company owed to the public for a longer period than was actually prayed for by the Company—was brought forward for the final reading in the House of Commons in the beginning of August. It was opposed by Mr Fox and others, who wished to reduce the amount of dividend from eight to six per cent. But the amendment was negatived; and the Bill was ultimately sent up to the House of Lords, where a like amendment, proposed by the Duke of Portland meeting the same fate, it was passed unaltered.

But in the interval between the introduction and adoption of this Bill, the celebrated East India Bill of Mr Pitt had successfully undergone the

Parliamentary ordeal. Fully confident of victory, the Minister introduced in the House of Commons his new East India Bill on the 9th of July, which was much the same in effect with his first Bill upon the same subject rejected in the preceding January (*vide* p. 99) The principal feature of the new measure was the establishment of a controlling Board of the nature stated in the previous Bill. Various former acts had vested in the hands of the Secretaries of State the same controlling powers as were proposed in this Bill to be lodged in the new Board; but on the plea of having to attend to other business more nearly appertaining to their office than the affairs of the East India Company, the State Secretaries had never exercised their right of control over those affairs. Mr Pitt was resolved not to allow such an important privilege of the State to continue thus unutilized any longer, and, consequently, proposed to appoint such of the Privy Councillors in the new Board as held offices of large emoluments without being required to sacrifice any great portion of their time. The appointments, however, were not to be permanent. Objection being taken to Mr Pitt's intention to keep the papers of the Board of Control secret from the Directors, the

Minister assented to allow them access to the papers, but without the power of objecting to any thing contained therein." The new Bill affected the Court of Proprietors in an eminent degree. It contained a clause which deprived them of the right of interference in the proceedings of their Directors, and thus plunged them into insignificance. A Secret Committee consisting of three Directors was appointed for the purpose of being entrusted with such affairs as the Board of Commissioners might think unadvisable, with a view to the welfare of the Company's interests, to make public to all the twenty-four members of the Court of Directors. Mr Pitt preserved the arrangements made in his first Bill for appointments to the Board of Control as well as to the several highest offices in India; but he reduced the number of Councillors from four to three with the avowed object of enhancing the power of the Governor-general.

That very commendable clause in Mr Pitt's Bill which discountenanced the warlike and ambitious propensities of the Indian authorities, was another important feature in the new Bill. The Minister very rightly argued that commerce was the chief object then in view of the intercourse subsisting

between England and India, and nothing could so much contribute to its extension as a peaceful policy. The government in India were authorized to fight whenever occasion required it, on the defensive only; and commencement of hostilities on their part, without the sanction of the Home Authorities, was made culpable.

The Minister had discovered the tyranny and confusion which were the fashion of the day in India, much to the disgrace of the British name. He was well acquainted with the acts of oppression which the natives were continually subjected to by the Company's servants in the name of Government; and led away by his great zeal for relieving the masses of India from the oppression of his own countrymen, the young Minister, it cannot perhaps be said, was very sparing in his expressions of dislike and scorn of the prevailing system. He deemed no existing mode of authorized investigation efficient to deal with delinquents in India with the necessary severity, and therefore proposed an innovation on the existing system of Judicature by providing for the establishment of a tribunal on quite a different system than any hitherto practised. The new

Court was to consist of some of the most eminent of the Crown's Judges, and a few members of the House of Lords and a few of the Lower House to be elected by ballot. In order to avoid, as far as practicable, any possibility of injustice or partiality, the election of the Parliamentary members of the new tribunal was not to be made till just before the hour of trial. The Court was empowered to depart within prescribed limits from the obligations of the State enactments, to which the other Courts of Justice in the kingdom were subject; it was authorized to receive evidence from India upon commission; and the decision of the judges was to be influenced as much by evidence received in the due form of the law, as by the facts that might come to their knowledge otherwise,—as much by the dictates of their conscience, as by those of prescribed law.

Another remarkable as well as interesting item in the new Bill was that which required an inventory of the property and goods in the possession of the Company's servants returning to England from India. The natives of India were ground for years past under a system of extortion and bribery by English officers under the pretence of receiving

presents, and the various and strict modes hitherto adopted for the prevention of the corrupt practice having entirely failed to effect the intended end, the Minister deemed it expedient to judge every person who brought home, on his return from India, money or property exceeding in value the amounts sanctioned in the new Bill, to have been guilty of corruption and oppression.

The Bill progressed through the Lower House as speedily as could possibly have been wished. It was committed by a majority of over four to one, and was sent up to the House of Lords in about twenty days after its first introduction into Parliament. Nor had it to contend with any material opposition from the Peers, for, in six days more it was passed with the assent of all the noble Lords save five who recorded a protest against it.

The first session of the new Parliament closed with the passing of another Bill especially framed for the benefit of the East India Company, though pretending to be a measure for discouraging the practice of smuggling which, it seems, had been carried on to an alarming extent at that time in England. Tea formed one of the staple articles of the Company's trade, but the high duty of 50 per

cent. on it deprived the Company of such a large portion of their income, that they naturally wished to be freed from the payment of such an oppressive tax. Besides, the private trader preferred to encounter the risk of smuggling for the worth of the gain, which placed the Company at considerable disadvantage in the market. But they had not long to wait. They had influence with the Minister, and they brought him so far as to see that in order to check smuggling the most effectual remedy was to repeal the various taxes on tea! It was proposed to introduce another Bill with this proposition in Parliament; but as that course would have left only an incomparable portion of the £ 900,000 redeemed at the existing rate of 50 per cent. on tea, the balance was to be made up by the levying of additional taxes on houses, windows, light, cocoa-nuts, and coffee. The Bill which was called the Commutation Bill, was not long in coming forward. It reduced the duty on tea to a fourth of the existing rate, or to 12½ per cent., and in lieu thereof increased the already heavy tax on windows and proposed the substitution of other taxes besides. The supporters of the Bill defended it as the surest means of checking the very

objectionable practice of smuggling, by rendering the profit inadequate to the risk encountered by the smuggler, and by leaving to the honest trader some chances of competition with his less conscientious brother. However, the utter inadequacy of the measure to bring about the pretended end was too apparent to be lost sight of by its opponents in both Houses; but the Pitt element was, at the same time, too predominant in the Legislature even to leave a sufficient number of the members to form a respectable minority against its adoption.

Here, then, we have three important Acts all passed by large majorities in the same session of Parliament, and all relating almost exclusively to the East India Company. It will have been observed that, heretofore no amicable feeling had existed between the East India Company and Parliament so strongly as to bring either to be of the same mind with the other on any particular subject. There was no proposition which first originated with Parliament that did not call forth a strong remonstrance or petition from the East India Company; and, likewise, there was no prayer made to Parliament by the Company, which was not

either entirely refused, or, at least, very narrowly escaped that fate. It is but natural, therefore, to conclude that to some remarkable fact or circumstance can be traced the unanimity which existed between the New Parliament and the East India Company at this period. We have seen that till long after Mr Pitt became Premier, the coallied Ministers, though driven out of office, continued to influence Parliament against their youthful antagonist so unswervingly, that the dissolution of the existing Parliament alone kept him in office. At the new election Mr Pitt greatly stood in need of help to be able to secure a majority on his side; and most probably would have had to resign office but for the substantial support proffered by the East India Company on the occasion. The Company very rightly reckoned the cost too insignificant for the gain if by their aid they could secure a Minister in office; and, in consequence, enlisted their great influence in the cause of the young Minister, the result of which was a majority of over one hundred and sixty in favour of the Premier in the New Parliament, as has been elsewhere intimated. So then, almost for the first time, there was at this period a Parliament upon whose sup-

port the East India Company could confidently rely in time of need, and a Minister too, who was of too liberal a spirit not to perceive the necessity of supporting every demand of the Corporation to which he mainly owed his greatest triumph.

And to this open fact may be attributed the origin of the three measures sanctioned for the East India Company by the Parliament of 1784. The First of them was the Relief Bill moved by Mr Pitt himself. There were two propositions introduced absurdly enough in this short Bill, which both it was impossible to justify except on just the opposite grounds. The Relief Bill provided that, the Company be exempted from the payment of the duties, to which their goods were liable;—which naturally suggested the supposition that the Company were far from being in a solvent condition. But just a little below in the same document, there was another clause which authorized the Proprietors of the Company to divide 8 per cent. profit;—a proposition which proved that the Company were in a progressive state of prosperity. And, though thus made up of the most irreconcilable inconsistencies, which left not a shadow of doubt that the Bill was

meant no otherwise than as an express favour upon the Company at the expense of the country, the representatives of the people assented to its adoption without bestowing a thought upon it.

No less partial was the Act known as the Commutation Act. Under the pretext of checking the practice of smuggling, of which, however, the new measure was no more capable than the suppression of one of a number of public-houses would be capable of preventing the vice of drinking in a country, the Bill was brought forward apparently for the convenience and benefit of the Company; and this time at a greater loss to the nation than that which the last Act imposed upon it. It is not possible to believe that, Mr Pitt put himself in any justifiable position when he proposed the abolition of a tax for the purpose of securing to the Company the sum of £ 900,000 annually, which was justly due to the nation, offering at the same time to make up the deficiency in the Exchequer by crushing the British public under the burden of increased taxation. In spite of these vexatious facts, so glaringly apparent on the very face of the affair, an independent Parliament showed no hesitation in sanctioning their leader's measure, such

a one as could prove worthy of none except an enemy of the nation.

But we are a little relieved when we come to consider of the remaining and the most material of the three measures—Mr Pitt's East India Bill. In this case, where the great point involved was the privilege, and not the money, of the country, the young statesman's patriotism, it clearly seems, got the mastery of all his other feelings. Had Mr Pitt chosen to frame this measure, like the other two, for the especial benefit of the Company, and even without the least regard to the interests of his own country, there was a Legislature who, there is no reason to believe, would ever have thought it their concern to refuse their assent to its adoption. That the Premier was aware of the support at his command there can be no doubt, but if this fact does anything, it certainly does tend to increase our admiration of the line of conduct he followed in this affair. And, while there is cause for applauding this display of the noblest feeling which is the indispensable quality of every true statesman, Mr Pitt's subtlety and ingenuity in extricating himself from the great difficulty which beset him in his task equally claim our applause. On the one

hand, there was a nation whose interests, of which he was the guardian, were to be secured and respected: on the other, there was a body of men, to whom he owed a deep debt of gratitude. If he openly tried to do his duty to his country, he was in the danger of incurring the odium of ingratitude, of depriving himself of his chief support, and, as in the late case of his great adversary, of drawing upon himself the displeasure of the country by making its grandest trading Corporation his bitter enemies. Again, if he choose to use his high influence for the benefit of a body of men at the sacrifice of one of the very important and profitable prerogatives of his King and country, he was violating the simplest and the most essential dictates of a pure conscience. The Premier's situation was one of no ordinary difficulty, and no talent of an ordinary kind could ever have availed to avoid it. But Pitt was equal to the occasion. He sought to please both parties at the same time; and he succeeded in his attempt. With the aid of a little duplicity, he conscientiously discharged his duty as the guardian of his country, while at the same time he filled the East India Company with the vain hope of securing to them everything they wished.

This trick can be easily traced out in his proposition for establishing the Board of Control. He openly avows in the course of one of his speeches on the Bill, that the Board was to be no more than a body for *merely controlling* the affairs of the Company. But he thus describes their authority and functions in the Act:—"The said Board shall be fully authorised and empowered to check, superintend, and control, all acts, operations, and concerns" relating to the Civil or Military Governments of the territories of the United East India Company, and of the revenues thereof. But a little below the Act explains more clearly the relative positions of the Board of Control and the Court of Directors in these terms:—"The said Court of Directors of the said United Company shall, and they are hereby required to pay due obedience to, and shall be governed and bound by, such orders and directions as they shall from time to time receive from the said Board." Here a *directing* body are bound to act as they *shall be directed by* a merely controlling Board! But four years after this period, the powers of this merely controlling Board seem to have furthur enlarged. It seems they were not slow of growth with the

growth of time, for, by the commencement of the fourth year of their existence, they had assumed an infinitude of dimension in their own sphere, which Mr Pitt himself thus describes:—"There was no one step that could have been taken previous to passing the Act of 1784 by the Court of Directors, touching the military and political concerns of India, and also the collection, management, and application of the Revenues of the territorial possessions, that the Commissioners of the Board of Control had not now a right to take by virtue of the powers and authority vested in them by the Act of 1784."

Then, again, there is the same duplicity evident in the clause regarding the nominations to the several offices in the domestic and foreign departments of the Company. In the first place, the nominations to the Chief Board of Commissioners as well as to the several Commanderships-in-Chief of the three presidencies in India, were left entirely to the Crown; that is to say, that the choice of the King or of the Minister for the time being, was to determine the persons who were to be entrusted exclusively with the uncontrolled authority of directing the Company's affairs. And as to the

appointments of the Governor-general and the Members of Council being allowed to rest with the Court of Directors, the King had the more material prerogative of negativing the appointments and of recall. But the idea of a Secret Committee of the Directors seems to have been derived from a still deeper motive. The less the number of individuals, the greater the facility of exerting any sort of influence upon them. The Secret Committee was to consist of no more than three members of the Court of Directors; and the large number of persons who originally swayed the affairs of the East India Company, was thus virtually dwindled to this comparatively insignificant number.

Two years, however, did not elapse after the passing of Mr Pitt's Bill before the Minister himself was impressed with the necessity of amending parts of his East India Act. Consequently three different Bills for that purpose were brought forward in Parliament at short intervals during the first half of 1786, and were passed.

The First of these Bills was chiefly intended for enlarging the power of the Governor-general in India. For a long time past, the necessity of such a step was felt and even acknowledged,

but most probably for the fear of encountering strong opposition on account of a measure which, though of great intrinsic worth, was capable of being interpreted as an indirect method of bestowing an amount of power upon its proposers, which it hardly did, none had thought it worth while to insist upon its adoption. Its main object was to make the Governor-general entirely independent of his Councillors. Not unoften had the latter been guided by motives of jealously and insubordination to use their combined authority against the acts and wishes of the Governor-general at the cost of national interest; and, therefore, with the two-fold object of divesting them of this injurious means of satisfying their personal spite and of effecting an accession of the influence of the Governor-general, which the rapidly-increasing importance of the British dominions in India rendered almost necessary, the new measure was submitted to the consideration of the Legislature where it successfully withstood a most pointed and ingenious invective from the greatest orator of the day. Its another important provision was to authorize the Directors of the East India Company to combine the highest office in the Civil, and that in

the Military, Departments of the India Government in the same person. To all reasoning, the most appropriate cause of this enactment seems to have been to create a sympathy between the two departments, which they had hitherto lacked; but how far this measure proved adequate to fulfil its object, nothing can better tell than the course subsequently followed in respect of the appointments to those two great offices. The object of the Second of the three acts was to reject that provision in the original East India Act, which rendered the King's approval necessary to confirm the Company's appoinment of a Governor-general. This measure was contrived to show that an important concession was made by the Minister to the Company, but the reservation of the right of recall to the Crown clearly proves that it did nothing of the sort. But the last of these subordinate Acts had an object which can be neither commended nor condemned. It divested the Pitt East India Act of the clause which obliged the Company's servants returning from India to give an inventory of their property on their landing in England. But it was indeed too much to expect that such a measure should be capable of

doing any good, and therefore its erazure if it did nothing good, did no harm.

About the time of the passing of these three Acts an attempt seems to have been made by Mr Pitt's opponents to abolish the new mode of trying Indian delinquents in England as sanctioned by the last East India Act. On its being brought up however, before a Committee of the House of Peers, it was frustrated by a large majority.

But while the Company were in this manner being stifled with a succession of Acts relating to the administration of their domestic and foreign governments, they found themselves once more beset by their usual difficulty in their commercial department. Their resources were again exhausted, and they were reduced to the necessity of praying Parliament for relief. And as it was a question of money, the young Minister was not slow in availing himself of the opportunity to discharge further the debt of gratitude under which he stood to the Company. He authorized them to accommodate themselves by the sale of £36,000 and odd, being an year's due to them from the people, in consideration of an advancement made by the Company to the Treasury; as well as

by increasing their Capital of £ 3,200,000 to four millions.

In order to trace the origin of the next important Legislative Act relating to the Company, we must resume the thread of our discourse on the East India Act of 1784. We have already seen how the young Minister contrived to keep himself in good odour both with the people and the Company at the same time. And it is really surprising to observe that, though that provision in Mr Fox's Bill, which did so much towards creating a disgust for that measure, and to which can be ascribed, in no small degree, its ultimate failure, was incorporated by Mr Pitt in his own Bill, still not so much as an objection even seems to have been taken to it. It will be remembered that Mr Fox proposed to appoint a Board of seven Royal Commissioners with authority to conduct and control the affairs of the Company. No doubt, one must fail to discover any difference between this proposition and that made by Mr Pitt in his Bill to establish a Board of Control. If there is any difference by which these two propcsitions can be distinguished, it is not in their object, but in the mode in which their object was to be attained. Pitt, proceeding

with caution, successfully did what Fox, confident of success, tried to do in a direct way, and failed. Fox would abolish the Courts of Proprietors and Directors of the East India Company, for he saw there was nothing left for them to do if his own plan of a Board of seven Royal Commissioners was to be carried out. But wisdom and experience had made young Pitt old enough to see at once the rashness of that step, and consequently he preserved the Court of Proprietors, though without a function to perform, and also the Court of Directors who were authorized to do almost everything that related to the Company, subject only to this provision, that they were to do all that as directed. In this manner, the Minister leaving to the Company all their original splendour and show of power, deprived them of its substance. In order to carry this scheme through, it was necessary that the language of the enactment defining the functions and powers of the Court of Directors and the Board of Control in the Act should be fitted to bear more than one interpretation. The language of Mr Pitt's Act was of that nature, and particularly of that part of it which ordained the institution of the Board of Control and defined its

authority; but it is difficult to believe that if the Directors had been a little cautious, if they had cared to be a little guarded in the too great, almost unjustifiable, confidence they reposed in the Minister, they would not have tried to check the progress of the Bill, or, at least, would not have deprived it of the credit of having received their assent.

The reader is already acquainted that Mr Pitt's Bill was passed into Act by large majorities almost as originally framed. The evils expected to arise from the ambiguity of its terms were made manifest before the administration of the East India Company's affairs, under the new Regulation, was long in operation. The first opportunity which the Board of Control seized to assert its supremacy over the Directors occurred when the latter were engaged in making some settlement of the Nabob of Arcot's debts. The Commissioners suddenly assumed an imperial mien, and gave an unqualified rejection to the arrangements finally made by the Court of Directors in respect of the Arcot Debts. The Directors who were not till then aware that there was any authority which had it in its power to reverse their decisions, were taken by surprise; and

being apprized of their subordinate situation, they humbly submitted to the Commissioners that the Court did not recognize the authority they had been pleased to appropriate to themselves. This protest created some little discussion at the time, but no definite settlement on the subject of dispute was made. Three or four years rolled on during which the Board of Control occasionally insisted on interfering in the proceedings of the Directors who, in return, as often protested against their intrusion. But the subjects of these differences being of a comparatively trivial nature, no attempt to determine exactly the positions of the two conflicting organs of the East India Company's administration was made during the period. In the year 1787, however, an event occurred, which involved some of the most material interests of the Company; and on that occasion it was thought high time to remove the ambiguity of the wording of the last East India statute. In that year, the rupture which had previously taken place between the Dutch people and the aristocracy of Holland broke out into open warfare. The people, infuriated with the desire to free themselves from the oppression of the aristocracy of the country, were fully determined to adjust, once for

all, the levelling blow to the patricians. In this civil strife, the English Government announced its intention of aiding the aristocratic party, while the French sided with the people. A war between these two powers seemed inevitable, and the East India Company naturally became apprehensive of the safety of their possessions in the East. In this situation they entreated the King to appoint a few of the royal regiments to defend their Indian territories, and accordingly four regiments were speedily prepared and ordered to proceed to India.

But before they embarked to proceed to their destination, the hostility between England and France subsided, and the apprehension of the expected war ceased. Under these circumstances, the Court of Directors thought it prudent not to entail upon the Company the expense of maintaining the four regiments for which there was no longer any need; and they therefore requested the Board of Control to concur with them in withdrawing their application to the King for military aid. But four years had done their work of forgetfulness on the Premier who had by this time grown so powerful as to stand no more in need of such support as was in the power of the Company to afford. He

now openly showed signs of hostility to the Company, and seized the present as a fitting opportunity for exposing to the Company the trick he had played upon them. He had appointed his great friend Mr Henry Dundas, whom we have had occasion to mention above, President of the Board of Control. The Premier made this gentleman his instrument for coming to an open rupture with the Company. The Board of Control severely remonstrated with the Court of Directors for their contemplating a diminution in the British forces appointed for service in India. The Directors thought this adverse interference of the controlling Board an unlawful proceeding on its part. They petitioned the King to withdraw the aid he had been so graciously pleased to accord them as the necessity for it had ceased; but the Ministers advised his Majesty not to alter the arrangement he had already made. Insofar, however, as it was provided in an Act passed by the Legislature in 1781, that the Company were responsible for the payment of the expenses of such troops only as were sent out to India at their own express request, the Directors cared not how the Board of Control acted, On the other hand the Board sanctioned

the payment of the expenses of the new regiments out of the Company's treasury. The Directors complained that this assumption of superiority over them was a piece of unjustifiable arrogance on the part of the Board of Control. But the latter, by openly disavowing the interpretation of Mr Pitt's East India Act, which was *assumed* at the time of its proposal; and by imposing upon it that one which its author *really* meant, showed to the Company that the East India Act of 1784 had empowered it to proceed in the manner it did.

On the 25th of February, 1788, the Premier moved the House of Commons for leave to bring in a Bill for declaring the object of his Act of 1784. In this Bill the *real* object of that Act was made manifest in precise and unmistakeable terms and the Court of Directors were undeceived as to their own subordinate position of which they had little notion up to that time. This Bill occasioned great dissatisfaction in Parliament, and, though some of the members who usually voted with the Premier, could not bring themselves to do so on this occasion, still the influence of the Chancellor of the Exchequer was so great that majorities voted in favour of his new measure in both Houses.

A protest signed by sixteen of the twenty-eight dissentient Peers was recorded against it.

Thus, then, the famous East India Act of Mr Pitt, modified and better adapted to serve the Ministerial purposes by the subsequent Acts above recounted, virtually established the Crown's rule over the Company's administration of the British Indian Empire.

CHAPTER XI.

THE EAST INDIA ACT OF 1793.

1789—1793

The period of the East India Company's last Charter of exclusive privileges draws to a close—The Company's condition at this time—Its effects upon them—Their inferior position to the Board of Control in matters relating to the Administration of British Dominions in India eventually tends to the bettering of their Commercial affairs—The exclusive privileges of the Company once more grudged by the people—Several manufacturing and mercantile bodies in the kingdom petition against the continuance of the same to the Company—The latter defend their request of renewing their exclusive privileges—Various plans contemplated to introduce some new system of Government and Commerce in India—The Charter of the Company ultimately renewed for Twenty years more.

THE East India Act of Mr Pitt, though passed in 1784, was not cleared of the confusion and dubiousness in which its author had purposely involved it till 1788. Consequently, the East India Company carried on their commerce and government in India for nearly half the period of their last Charter under the false impression that they were the supreme authority for conducting the administration of their commercial as well as political affairs, both at home and abroad. But after the Declaratory Act of 1788 declared the real intent and purpose

of Pitt's India Act they learnt their true situation; and seeing no hope of recovering the loss which their own foolishness and credulity were, among other causes, not the least instrumental in bringing upon them, they submissively yielded to their fate. They wisely resolved to turn to advantage what important privileges of commerce were yet left them, and drew near the close of the remaining period of their Charter of 1783 in comparative peace and in a healthful condition. This their prosperous state, however, was at once the partial origin of the next difficulty in the like whereof we have so often found them involved, and the partial means whereby they succeeded in relieving themselves from that difficulty. For the preceding ten years the British Government was presided over by a statesman who, with great talents and great virtues, possessed a great ambition of power. Though it is but due to the hallowed memory of that famous man to say that his love of power was entirely free from any thing mean or paltry, yet it would be fruitless to deny that it was immense. Even his treatment of the East India Company is a proof of this assertion. That out of gratitude he readily accorded almost everything the Company

desired, which did not require a sacrifice of a single jot of his power, proves the virtue of his nature; but that he did not forget to strip even the East India Company to whom he was so much indebted, of their political privileges, renders clear his covetousness of power, even though it may be an evidence of his patriotism.

The East India Company, beguiled by the alluring prospect of augmenting the British Empire in India, had of late years paid greater attention to their political concerns than to those of their commerce. Not a few of the civilians in their employ, submitting to the circumstances of time and place, had to leave the counting-house for the field, and their merchant-men had often been turned into men-of-war. The warlike and ambitious propensities of the Company's servants had necessarily diverted their attention from their commercial concerns which had therefore ceased to be as profitable as they would otherwise have been. This circumstance, however, ultimately proved of some benefit to the Company. It had quieted the popular clamour against them for some time past. The people, seeing the Company always in need of help from the Government Treasury, and also being con-

vinced of the futility of any attempt to wrest from them their commercial privileges so long as Pitt was at the head of the administration, had lately ceased to worry them; but their jealousy for the exclusive privileges enjoyed by them was as intense as ever. We have seen that to check the Company's ambition of extending their dominions in India was one of the principal objects of the India Act of 1784. And it will have been observed that in order to divest the East India Company of their political rights, Mr Pitt was obliged to make large concessions to them of a pecuniary nature. With such increased facilities, and by devoting a greater portion of their attention to the prosecution of their trade, especially during the latter half of the period of the Charter of 1783, the Company brought their commerce to a vigorous condition; and they once more became an object of open hostility to the people.

We have now come to the period when the Charter of 1783 was fast approaching its close. The Company now engaged themselves in getting a renewal of their lease. But the masses of the people were in agitation at the thought. They could ill bear the idea of foregoing any longer their claims to

compete for so enviable a prize as the East India trade in favour of a small body of merchants. And the progress of time had so expanded their views, that they began to discern in the East India Company's right of governing the British Indian Empire a privilege which, with wide responsibility, conferred upon the Company numberless opportunities of making fame and fortune. The nation could not understand by what right or on what reasoning the East India Company could hold the exclusive privileges of governing, and trading with, the British territories in the East Indies; and in their exclusion from the enjoyment of these privileges the people fancied themselves bereaved of what they mistook for some of their valuable birth-rights. The merchants and manufacturers in the kingdom also were, it has been frequently mentioned, jealous of the Company's commercial monopoly. Sometime in 1788, some of the cotton merchants and manufacturers had seized a vague pretext to make a petition against the Company. They represented that the commercial energy and interests of the nation suffered greatly by the Company's importations of cotton and cotton piece goods from India, and begged the Legislature to provide against the interests of

the country being thus sacrificed for the benefit of a small trading body. This matter rested here. But when the question of renewing the Charter was broached in 1793, the long-burning jealousy of the people erupted into a blaze. Petition after petition from influential bodies of tradesmen and manufacturers in various parts of the kingdom poured in. The people clamoured for administering the affairs of their Indian Empire on a new system.

The Premier's youth and inexperience when his Sovereign approved of him as his Chief Counsellor had led his predecessors in office to hope for a speedy return to their honourable posts. The Minister's success as an administrator was, however, long before the period of which we are writing, an accomplished fact. His uncommon energy and talents preserved him long enough in office to tire out the patience of his disappointed opponents. They were sorely disappointed in their hopes, and were incessently endeavouring to defeat the ministry. Hitherto their efforts had proved vain; and when the East India question was taken up for consideration, they welcomed it as a fresh opportunity for making an attempt to defeat Pitt. The Premier was disposed to favour the Company's demand;

not now from any sense of his obligations to them, but because of the love of power which was his dominant passion. We have already explained how Mr Pitt got in his hands the entire control over the affairs of the East India Company. This power he deemed very valuable and would lose it on no account. Yet if in conformity with the popular desire he made any innovation on the existing mode of conducting the political or commercial affairs of the Company, that would be no unlikely consequence. It was his great aim, therefore, to preserve the constitution of the Company as organized by his East India Act. Consequently, he necessarily found himself in opposition to the people, and his adversaries greedily pounced upon the opportunity, flattering themselves with the hope of gaining their long—cherished desire. But they were doomed to fail.

It would have been rushing precipitately to a fall if Pitt had directly asked Parliament to renew the Company's agreement, without heeding the national cry for redress of the alleged grievances. He proceeded in the matter with his wonted caution, and pretended to bestow ready consideration on the petitions against the Company. He even desired

various persons who were believed to be competent authorities on subjects relating to India, to give their opinion as to the good or bad effects of the prevailing system of Indian Government, and to suggest any new plans that might be thought better adapted to supply the requirements of the country and of the inhabitants thereof. The Court of Directors was also required to shew reasons in support of the Company's prayer for preserving them in their exclusive privileges, and to disprove the claims and arguments of their opponents. The call was, of course, responded to, and the result of the whole affair could be easily predicted. It was found that of the opinions invited from the different authorities as to the best system of governing India no two agreed, and the general tenor of their opinions was construed to be on the whole in favour of the system established by Mr *Pitt's* India Act. The Committee of the Directors, who were required to confute their opponents' objections to their possessing the monopoly of the East India trade, successfully, so was it intimated, proved their points. The exultation of the young Minister's rivals began to ebb with this phase of the affair. They became so hopeless of doing anything to over-

throw their youthful adversary and were so convinced of his success that, they deemed it fruitless to oppose the next East India Bill which we shall presently touch upon, till its third reading in the House of Commons. During its progress through the last stage in the Lower House, Mr Fox spoke against it in his impassioned argumentative manner, but evidently without the least expectation of defeating it.

In April of the year 1793, Mr Henry Dundas introduced a new East India Bill before the House of Commons, which ultimately became the East India Company's Charter Act of 1793. With regard to the Political Department of the Company's affairs: The constitution of the Government of India was retained without any alteration as organized by the Act of 1784: the Governments of the subordinate Presidencies also suffered no change: the Board of Control and the Court of Directors remained as established by the last Act, their authority and functions were preserved, and they bore to each other the same relation as before. Some new arrangements, however, were made with regard to the Supreme Board. The restraint upon the King to appoint to it only such persons as were members of

the Privy Council, was removed, and thus the field of his Majesty's choice was widened. The Act of 1793 sanctioned for the first time an allowance to the Commissioners, not exceeding the sum of £ 5,000 per annum on the whole. It left to the Commissioners to appoint their own Secretaries and other officers. The first-named member of their Board was to be its President. The Secret Committee of the Directors also continued as originally constituted. A small accession in their power was effected: they were not required, as hitherto, to obtain the permission of the controlling Board to receive or to forward certain secret despatches. Then with regard to the Commercial Department of the Company: The Charter Act of 1793 confirmed them in their exclusive privileges of trading with the East Indies for a period of twenty years. Except introducing a new feature, the Act did not effect this branch of the Company in any manner: it contained a clause which made it obligatory upon the Company to allot 3,000 tons in their trading vessels every year to private traders.

So, then, Mr Dundas' Bill worked very little alteration in the Constitution of the East India Company, and that very little was again meant

to serve some end of its proposers more than anything else. While opposing Mr Fox's East India Bill, Mr Pitt had laid the greatest stress upon the accession of power and patronage, which the Ministry was expected to derive by it. Consequently, when after a short time the young statesman brought forward his own East India Bill, it was almost impossible for him to invest the Ministry with any patronage in addition to what the right of appointments to the several high offices of the Company, which the Bill gave to the Crown, conferred upon them. It was the study of Mr Pitt, therefore, that the institution of the Board of Commissioners, which he established with the object of deriving to himself the whole political power of the East India Company, should cost as little at first as possible. Hence the contrivance to choose the members of that Board from among the Privy Councillors only. But now that the novelty of the experiment had ceased, it was found that it could not work well longer without some remuneration being fixed to the office of the Commissioners. The fear of opposition and defeat also was no more. The result was that the Company were to pay hence—forward the sum of £16,000 every year,—£ 5,000 for the Commissioners, and £ 11,000

for the expense of their establishment—for, as it were, having been deprived of all control over their political concerns.

Another provision in Mr Dundas' Bill worth noticing was the reservation of the 3,000 tons of the Company's shipping for the use of private traders. It was with the object of pacifying the severe opposition of the merchants and manufacturers in the kingdom that this provision was made. But it hardly need be told that, it proved of little use and less value.

The feeling of antipathy towards the Company which pervaded the nation before the new Bill for renewing their lease was presented to Parliament had made the Minister and his party uncertain of the success of their new measure. Every circumstance, however trivial, which might possibly be urged in favour of securing the Company in their chartered rights was, therefore, taken the utmost advantage of. It was very fortunate that while in this disagreeable situation, the finances of the Company in England were found to be in an unusually thriving condition. The main cause of this state has been mentioned in the beginning of this Chapter. The Company's treasury in India was similar-

ly situated, the Mysore War notwithstanding. Mr Dundas laid hold of these facts to impress upon Parliament the inadvisability and even the danger of abolishing the Company, to prove that the hostility of the people emanated from merely selfish and jealous motives, and to procure the approbation of the House for the measure he proposed. He computed the Company's annual *profit* at much above a million pounds sterling, and in order to display this favourable circumstance in as ostentatious a manner as possible, distinct provisions in the legal form for its disposal were included in the Bill, one of which sanctioned the annual payment of £ 500,000 to the British public in discharge of the obligation which the Company owed them. This trick eminently succeeded. The Parliament was taken in, and without much hesitation vouchsafed its assent to the new agreement.

CHAPTER XII.

THE EAST INDIA COMPANY'S CHARTER ACT OF 1813.

1794—1813.

Lord Wellesly's attempts to secure to British interests generally the benefit of the India trade—His Lordship's motives for the same—The narrow point of view from which the Company opposed his Lordship—The issue of the dispute—Negociations regarding the renewal of the Charter—The strong opposition of the people to the Company's exclusive privileges—Importance of the India question at this period—The peculiarly unfortunate position of the Company—Two events tending to heighten their misfortune—The Company's demand for pecuniary aid—Their prayer for the renewal of their privileges—Parliamentary investigation into East India affairs—The ultimate deprivation of their monopoly from them—The new Charter described.

SIR JOHN SHORE, on his elevation to the peerage as Lord Teignmouth in 1798, resigned the reins of the Government of India in the hands of Lord Mornington. This nobleman, better known and celebrated as Marquess of Wellesly, ruled India for nearly eight years with such energy and wisdom that the period of his administration has been immortalised as the August an age of Calcutta. His Indian policy, however, though greatly distinguished for its liberal principles, was regarded by the East India Company with disgust and even indignation.

On almost every question of importance his Lordship's opinions, based upon the liberal policy and enlightened views of a statesman noble by birth and education, differed very materially from those of the Court of Directors, whose personal interests generally guided their judgment. It more properly belongs to the historian of British India to investigate the frequent, almost incessant, disputes, which deprived India of the blessings of an administration whose chief aim was the well-being of its people, and which once so enraged Lord Wellesly as to make him forget all respect for his masters—for such the Court of Directors flattered themselves to be, and were indeed in name—and term them "the cheese-mongers of Leaden-Hall Street." It was necessary, however, on our part to refer to that unpleasant affair as one of its main causes bears near relation to the subject in hand.

The concession of 3,000 tons of shipping which the Charter Act of 1793 required the East India Company to make annually for the use of private traders, must be regarded as some relaxation in the strictly exclusive nature of the Company's trading privileges. But this privilege to private traders was so much encumbered with unnecessary restraints

and was besides so costly, that it offered them very little inducement to exercise it. But after the lapse of some time, the desire to participate in the commerce of India again prevailed, and a few private merchants utilized their right even at much personal risk. Now, while the right of trading with the East Indies was denied to every British merchant and mercantile body save the East India Company, the natives of India were free to engage in commercial intercourse with men of every nation. So then, the British Government deterred their own subjects from availing themselves of a right which they did not, in fact, could not, restrain strangers from enjoying. The result of this anomaly was that while the annual exports and imports of the whole trading community of the United Kingdom, (the East India Company of course excepted) to and from India, amounted in all to much below even the privileged 3,000 tons of freight, foreign shipping—American, and Portuguese, Dutch, French and in short of almost all European nations—weighing many more thousand tons, carried on trading operations between their respective countries and the East Indies. Moreover, the subjects of foreign nations being entirely exempt from the heavy duties

imposed on British subjects and from the restaint of the regulations of 1793, were enabled to defeat the feeble exertions of the private traders of the United Kingdom. Nor did this freedom of trade to foreign nations result in marring the efforts of individual merchants only. The economy and despatch which can be exercised in limited concerns involving personal interests, enabled the foreign merchants to offer their merchandize both in Europe and in India at such cheap prices that they almost succeeded in driving out the East India Company from the markets of both the continents. Besides the political department of the East India Company's affairs so greatly absorbed the pecuniary resources of the Company that, considerable as those resources were, what remained of them for commercial purposes was totally inadequate to embrace the whole India trade. To sum up then, the East India Company fretting under the false delusion of being successfully rivalled by the whole mercantile energy of the Kingdom being combined against them, persisted in excluding their own country-men from participating in a trade which they themselves were unable to engross, without having at the same time the least authority or means to prohibit foreigners

from engaging in it. Shortly after his arrival in India, Lord Wellesly was struck with the injury suffered by British enterprize and interests in consequence of these narrow jealousies, and as it happened that Mr Dundas' views on the subject coincided with his, his Lordship tried to give effect to the relaxations in the strict monopoly of British India commerce provided for in the Charter of 1793. He disavowed any intention to do the least harm to the Company's interests, and proposed to restrict private trade only to such articles of Indian produce and manufacture as the Company, not thinking them profitable enough, had excluded from their investments. Lord Wellesly's liberal attempts however, only brought upon him the rancour of the India House.

In 1813 the period of twenty years of the last Charter of the United Company of Merchants was to terminate. But the question as to continuing the monopoly of East India trade to the Company after the expiration of that time was taken up five years previously. The years that had elapsed since the Act of 1793 came into operation were a period of remarkable progress and development. Not only had the commerce of Great Britain and

its resources increased during that time, but the nation had risen intellectually. The skill, industry, and capital of the British merchant had made him a name in the remotest quarter of the globe where it was lawful and lucrative for him to trade; and there was hardly a place in the whole range of the mercantile world with which the British trader would not have found it to his advantage to exchange commercial intercourse. There was, therefore, a peculiar hardship in precluding the subjects of Great Britain from freely participating in so profitable a trade as that with the East Indies, when the same privilege was not denied to any foreign trader, provided only he was not a subject of any state in enmity with Great Britain. Though there can be no denying that the most just principles and motives had originally guided the British Legislature in securing to the East India Company the monopoly of trading to the countries east of the Cape of Good Hope, and though it is not difficult to see that the Company had a right peculiarly their own to have solely to themselves that trade, it is impossible not to discover an unfairness in witholding the privilege from one of the most commercial and enterprizing people in

the world. And, indeed, when the subject is viewed to-gather with all the circumstances connected therewith, when we consider that the British Government restricted their own subjects from engaging freely in the East India trade while they allowed foreign nations to enrich themselves by that very means, it only strikes us as uncommonly strange that a people so free and so excitable on every point where their freedoom was involved as the British should have had the patience to delay till so long an opposition as strong as that which they put forth when the East India Company's Charter of 1793 was expiring.

Though the Company might have been prepared for an opposition against their demand for the renewal of their Charter, still it is evident from the high tone which they assumed when the subject was broached in 1808, that they could not have anticipated the strenuous and universal opposition which they subsequently met with. The Court of Directors had resolved to demand the renewal of their Charter without a single alteration which might be unfavourable to them, and were not at all inclined, to yield up any portion, however small, of their privileges. They negotiated on the subject

with the Board of Control which was presided over at that time by Lord Melville. The President of the Board had an idea of what things were coming to, and intimated from the first to the Directors that Government would not consent to leave any more to the Company alone the privilege of trading to the East Indies to the entire exclusion of the rest of the British subjects therefrom. The East India Company, however, had enjoyed that privilege too long and their ambition had been suffered to grow to too wide dimensions without being effectually checked to allow of the idea of conceding to the nation some of their privileges to be reconciled to their minds. They plumed themselves upon their long existence and their influence to avert the threatened danger, and refused Lord Melville's offer of avoiding it by allowing the British public to have a share in some of the privileges hitherto solely possessed by them. In fact they were so very confident of getting a renewal of their agreement on the terms they insisted upon, that the Chairman of the Board of Directors did not ask to allow the Company to be continued in the commerce and Government of the British territories in India, but did actually assert the Company's claims to those

rights. It was not long, however, before they learnt how their claims were to be regarded.

Very early in the year 1813 people began to demonstrate publicly their views on the monopoly of the East India trade. The development of the manufacturing industry and skill of the kingdom, the consequent increase in its commercial resources, the hope of reaping unprecedented advantages by trading to the East Indies, the vexation justly felt by being restricted from engaging in commercial transactions with a dependency of their own country even when foreigners were allowed the privilege, were grounds sufficient to justify the agitation which prevailed in the people at this juncture. And the dread that as on all former occasions their attempts to free the East India trade from the fetters of a monopoly this time too might prove unsuccessful in the end, lent to the popular excitement all the fervour which, at a period when affairs were in an uncommonly disturbed state on the Continent, and when people were seriously engaged in the Roman Catholic Claims controversy, made the subject of conducting the commerce and administration of India almost the first question of the day.

There was no end, so to say, of the petitions which flowed into Parliament from almost all the corners of the Empire against allowing the East India Company to continue further in the possession of the monopoly of East India trade. Not only did the towns and counties address the legislature but even small bodies of merchants, of manufacturers, and of moderate tradesmen too, and lastly of work people, submitted severally their petitions against the reservation of the East India trade to the Company solely. Of course, these petitions were so many different lingual renderings of the arguments commonly advanced by them in support of their prayer, which all centered in the one assertion that freedom of trade to the whole commercial world and especially to the dominions of the British Crown was the inherent and undoubted birth-right of every British subject. On the contrary, it was urged on the side of the Company that they and they alone had claims to the right of carrying on exclusive commerce with India by reason of the British territories on the Eastern Continent having been achieved solely by their enterprize and exclusively through their agency.

It has been remarked in the last Chapter that when the Company had the sympathy and the interested co-operation in the furtherance of their cause of such men as Mr Pitt, Mr Dundas and others of their party, even the surrounding circumstances very often combined to favour their wishes It strikes us, therefore, as a singular circumstance that at the period upon which we are dwelling at present, when there were none left to advocate the cause of the East India Company as a Pitt or a Dundas would have advocated it, when the people had grown hostile to them and impatient to suppress the monopoly held by them beyond all former example, various events should have combined to aggravate the misfortune which was fated to befall them. Of these events two were of very great importance, and influenced in a marked degree the issue to which the question of renewing the Charter was ultimately brought. The first was the Berlin and Milan decrees of Napoleon Buonaparte. By these decrees, it is well known that the continental ports were closed against British commerce. This circumstance as well as the expense which devolved upon the English Exchequer of prosecuting a war at this period made it indispen-

sably requisite that every possible channel for venting and turning to advantage the produce of English skill and labour should be unreservedly thrown open to British subjects. The other important subject which affected the decision on the East India question was the state of the Company's finance. That all-important department of their affairs had lately been reduced to a state of utter poverty. Before the year 1810, five million pounds sterling had gone towards discharging the debt contracted by them in India. And again, an unusual reduction in their treasury of a million pounds, in the shape of loss suffered by their shipping on account of the war with the French, was effected.

Consequently, the Company were constrained to betake themselves to the usual course, that of applying to the public for relief—a remedy particularly distasteful and dangerous at this critical juncture. In the three years that had just elapsed, 1810, 1811, and 1812 they were allowed to raise on public loans and on their own bonds £6,000,000 in all. The Company's frequent applications for pecuniary aid were strongly put forth by their opponents as a plea in their favour, and that plea derived considerable

force by these fresh instances in which the same sort of help was prayed for and granted. Indeed the Company could not have been unaware of the importance they were giving to their opponents by praying to them for relief, but there was no help for it. Surrounded thus by the most unfavourable circumstances, the Company submitted their petition to Parliament for the renewal of their Charter on the 22nd of February, 1813. Petitions against them, however, had begun to be presented as early as December in the previous year. The East India Company perceived the insecurity of their situation; and with the object of supporting their prayer to continue the relations between Great Britain and the East through them as heretofore, embodied a historical sketch of their establishment in their petition, and stated in it at length the existing situation of their affairs, and the rights by which they claimed to have to themselves the exclusive commerce of the East Indies and the administration of their affairs. They submitted that it was an incontrovertible fact that they had done great and positive good to their country, and expressed their fear that any material innovation on the existing system, for which they failed to per-

ceive the least necessity, would not only be a matter of experiment and therefore precarious in its results, but would eventually tend to deprive the British nation of the great pecuniary benefit which no other channel but themselves could secure it in. They also refused to recognize the right of any persons except with their consent "to use the settlements, factories, and seats of trade, or to avail themselves of the means and facilities, moral and physical, which the Company at a great expense and risk, have created or acquired, and now at great current charge maintain, for the purposes of commerce and civil intercourse". Though in such terms, and with the support of arguments, which, under circumstances other than those in which they were placed at this period, could have secured to them the enjoyment of the rights they claimed, they advocated their cause; they were so sure of defeat that they intimated in their petition their hope that in case the Parliament deemed it expedient to incorporate the country distinguished as British India in the dominions of the British Crown, their claims to the possession of that country would be held good; and they threw themselves upon the liberality and justice of the Legislature

for the reimbursement of the expenses and compensation for the great risk they had undergone in acquiring and preserving it.

Before a Committee of the whole House of Commons, Lord Castlereagh, the then Secretary of of State for Foreign Affairs, brought forward eleven resolutions on the 22nd of March, 1813, upon which was eventually based the new East India Act. His lordship prefaced the resolutions with a lengthy speech, in which he tried, with deserved success, to prove that the time had long since arrived when it was necessary that modifications on a very large scale should be effected in the existing system of the trade and government of India, notwithstanding the facts that the system had been established on very sound theory, and that the East India Company had eminently succeeded in administering to the happiness of fifty millions of persons. Before the resolutions which Lord Castlereagh introduced were framed, three considerations had naturally been suggested to the Ministers :—first, whether it was advisable to maintain the British connection with the East exactly upon the same system as that which prevailed ;—second, whether it was better to

effect innovations upon that system;—and third, whether it was expedient to abolish it altogether and replace it by an entirely new one. While admitting that the East India Company had peculiar claims to demand the exclusive privilege of trading with India, we have not denied that in process of time circumstances had so combined as to render it almost necessary that the Company should forego some of their privileges in favour of their fellow-subjects. Viewing the subject from this stand point, we cannot find fault with the course which the Primier followed, namely, the second. He resolved to confirm the United Company of Merchants in their trade to and administration of India for a further period of twenty years. It was said that the vastness and importance of the interests which depended upon the East India Company did not allow of their existence being guaranteed for short periods, and, consequently the ministers deemed it prudent to give twenty years to the period of the new Charter; but they could ill-brook any delay in removing the restraints upon private traders. It was, therefore, enacted that the trade to India, import as well as export,

should be thrown open after the expiration of the Charter of 1793 to all British subjects without reserve, subject only to the provision that no private trading vessel was to exceed four hundred tons. The restrictions respecting the commerce with China upon private trade, however, were retained, and the exclusive privilege of the Company to trade in tea was also continued. Some of the resolutions provided for the disposal of the revenue of the Company in the following manner. From out the territorial revenues in India were to be defrayed the expenses of the military and naval forces and establishments maintained for the defence of the territories. The surplus of the revenues, if any remained after the payment of those expenses, was to be devoted to the discharge of the interest on the debts contracted by the Company in India, to the liquidation of those debts, and to the defraying the expenses of the commercial and administrative establishments in various parts of India ; and if any portion of the revenues still remained, it was to be applied to facilitate the trading operations of the Company with China or to some such other purposes as the Board of Control might coincide with the Court

of Directors in deeming most beneficial for the interests of the Company. The profits accruing to them from their trade were to be applied to the payment of the bills of exchange accepted by them in England, to the liquidation of their debts and expenses there, and after that, to the payment of dividends to the proprietors, and lastly to the discharge of the debts in India. And if any portion of their profits and revenues remained after their debts in India and in England were reduced to ten and three million pounds sterling respectively, one-sixth of it was to form the reserve capital for the use of the Company, the remaining five-sixths being subscribed to the English Exchequer as public money.

The appointments of the Governor-general, Governors, and Commanders-in-Chief were to be made by the Court of Directors subject to the approbation of the Crown. A provision was also made for maintaining a force for the defence of British India to the effect that any augmentation, without being specially applied for by the Company, in the number of troops named in the enactment, viz, 20,000, including commissioned and non-commissioned officers, was to be charged to the public expense.

The new Charter Act did not affect the political constitution of the East India Company in any way except that it subjected their revenues to the supervision of the Board of Commissioners and the disposal thereof to their joint discretion with the Court of Directors.

Against these resolutions the Company petitioned. They prayed Parliament to examine witnesses in favour of reserving to them the monopoly of the Eastern traffic, which permission being granted, they brought a multitude of witnesses, among them being persons of unquestionable integrity and honour, to speak in their behalf. The first evidence was that given by Warren Hastings who was now past four-score; and it was on this occasion that the Commons received him in with acclamations, and rose and uncovered when he departed from, that same hall where, more than quarter of a century back, he read before men of the preceding generation his defence of the impeachments laid upon him by Burke—an event which the eloquent language and descriptive pen of Macaulay has immortalized. But all that the Company did, and they left nothing undone which they could do, availed not in the least to change

the determination of the Premier. Indeed it was very foolish on their part to have at all opposed the proceedings of Parliament regarding their affairs, not only because there was no hope of success, but because the measures proposed were the most advantageous to the Company that, considering all the circumstances, could have been adopted. Not only did the spirit of the age and the various other causes already mentioned render it entirely inexpedient to debar any more British subjects from taking advantage of the East India trade, but the noble mover of the resolutions just described actually brought facts to shew that the Company, in spite of their monopoly and the large investments of their capital, had been losers by it: while the trade which was really profitable to them was still secured to them. Their objection to allowing British subjects free access to their territories in India was also as clearly and successfully refuted. We are constrained to confess that not unless the subject was viewed in a very illiberal spirit could there have been any apprehension regarding it.

The Company had studiously discouraged the introduction of Christianity and education in British India till now. So that when the whole coun-

try loudly clamoured against the Company on the occasion of the renewal of their Charter, the missionaries and their advocates made common cause and presented petitions of their own urging the advisability of propagating Christianity in India. The result was, that a clause was embodied in the new Act which rendered it obligatory upon the Company to appoint a Bishop and two Archdeacons to the presidencies of Bengal, Bombay, and Madras respectively, the appointments being subject to the approval of either the Archbishop of Canterbury or the Bishop of London.

CHAPTER XIII.

THE EAST INDIA ACT OF 1833.

1814—1834.

The East India Company's success as a mercantile and administrative body—The tendency of the various small Acts passed by the Legislature relating to them subsequent to the Act of 1813 *and previous to that of* 1833*—Negotiations for the framing of the new East India Act—Committees appointed by Parliament to enquire into the Company's affairs—Resolutions of the Commons forming the basis of the ensuing East India Act—Attempts of the Legislature to frame an uniform code of laws for the people in India—The alteration in the functions of the Governments of the three presidencies in India—A fourth presidency established—The Commercial branch of the Company entirely abolished—Compensation awarded for the same.*

So then in the year 1813 were annihilated the privileges which had been confirmed to the East India Company by no less than sixteen Acts of various sovereigns, and which had for more than two centuries remained in their possession. But the estrangement of the commercial element from the constitution of the "United Company of Merchants of England trading to the East Indies," was not consummated till twenty years after. Long before 1813 the first Indian factories and settlements of the original Company of merchants had grown into a vast empire. For years before that period the

commercial Company had governed, and governed well, that vast empire. They had carried on both their commerce and their administration at the same time with great skill and unparalleled success, and had in a great measure disproved what had been unequivocally asserted...formerly that commercial bodies could not govern empires. Moreover, they had prosecuted their trade, not because it was solely their privilege or their profit to do so, but because it was their professed belief that it was not possible for them to carry on the administration of their empire in the East Indies without carrying on their trade therewith at the same time. We are far from advocating the truth of this belief,—indeed it was as false as the Company had proved the converse of it to be; but the fact cannot be winked at that the body of merchants had succeeded, better than any administrative body could pledge itself to succeed, in ruling the destinies of a country exceeding both in extent and in population France, Spain, Germany, and Italy combined. We are not entering now upon any discussion as to the causes of the success, but mention the fact in passing in the hope that the grounds and intentions which influenced the framers of the new statute might be rendered clear.

The period of twenty years for which the last Charter of the East India Company was to endure, was a period of controversy relating to the question of totally extinguishing the commercial functions of the Company. In fact, the spirit of the age was so averse to conservative principles, and the patience of the people had been already so much taxed that, when the Charter Act of 1813 was framed,—though the exclusive privileges of the Company were materially impaired by it and the monopoly of the China trade was only reserved to them,—it was understood that before the lapse of much time it might be deemed necessary to effect further relaxations even in this remnant of the Company's privileges in favour of the nation. With this same view it was proposed to limit the period of the Charter of 1813 to ten years only, when the Bill was passing through Parliament. This proposition was rejected, but another conceived almost, though not wholly, in the same spirit was adopted, by which Parliament was authorised to frame regulations, if deemed expedient, within the term of the Charter of 1813, modifying the provisions therein contained relating to the conduct of trade with places in-

cluded within the boundaries of the Company's exclusive privileges. The same hardship which had resulted from the reservation of the monopoly of the India trade to the Company, also originated from the exclusion of British subjects from the China trade. The opponents of the Company contended that the exclusion of the nation from participating in a trade which was open even to foreigners, was entirely incompatible with the expanded liberal views of the times, and operated unjustly to British subjects. To this the Company opposed the plea, that without the profits accruing to them from their trade, they were utterly unable to carry on the administration of the British Indian Empire; and that they had been already obliged to make so many valuable concessions that a further diminution in their privileges would prove greatly prejudicial to the due discharge of their duties. What the outcome of this controversy was will be presently related. But it may be here remarked that long before the end of the period of the last Charter arrived, the people were clamouring against reserving the China trade to the Company even during the term of that agreement; and there was some inclination evinced to discuss even

in Parliament the inadvisability of shutting out British commerce from the Chinese ports long before the end of the period arrived. This injudicious longing was, however, suppressed. But by virtue of the power the Legislature had reserved to itself, it passed the Circuitous Trade Act in 1814, and the Malta and Gibraltar Trade Act three years afterwards. After the lapse of another period of three years both the Houses of Parliament appointed Committees to inquire into and report upon the existing commercial relations of Great Britain with foreign countries, to suggest means of extending them, and to advise whether or not it would be judicious to open the China trade to the nation. These and other minor Acts of the Legislature left no doubt that it was resolved to extinguish the Company's commercial character with the expiration of their Charter.

No wonder, then, that when the usual investigation and negotiations were entered into at the end of the period of the Charter of 1813 with the view of renewing it, no serious consideration was bestowed upon the question of continuing the Company's trade. In the early part of 1830, when the three years' notice due to the Company

was served, both Houses appointed Committees to report upon the various branches of their affairs, which, of course, included those of their commercial department. But all the proceedings connected with it were carried on with the inattention and carelessness which attend the investigations of subjects which may have already been decided upon. The only question which Ministers suggested to Parliament to consider in relation with the ensuing East India Act was, whether it was advisable to conduct the administration of India in future through the medium of the East India Company; and if so, whether the Company's system of governing India was to be submitted to any innovation. Thus any and every consideration as to continuing the trading operations of the Company was publicly ignored from the very commencement of the negotiation for the renewal of the Charter. A Tory Ministry first broached the subject, but after the Parliamentary Committees had progressed a great way in their investigations and after considerable negotiation had taken place between the Ministers, the Board of Control, and the Court of Directors, the Ministry which was presided over by the Duke of Wellington resigned, and was replaced by a Whig

Cabinet formed by Earl Grey. These changes, however, did not inspire any hope in the East India Company. They well knew that neither party-spirit nor any regard to personal interests led the Tory Ministry to insist upon the discontinuance of their commercial functions. National interests required it.

The dissolution of the existing, and the assembling of a new, Parliament after the Whig Ministers came into office rendered it necessary to appoint fresh Committees on East India affairs. After instituting exhaustive inquiries into the various branches of those affairs, they made their reports and submitted about thirty propositions for the better maintenance of the relations existing between Great Britain and India in future. On these propositions the Ministers invited the Court of Directors to give their opinion; which being made known in a few days, the Right Honourable Charles Grant (afterwards Lord Gleneleg,) the President of the Board of Control at that time, explained in a very lengthy and elaborate speech the Ministerial scheme for the Government of India, and moved three resolutions which formed the nucleus of the agreement

that was to be entered into with the East India Company. These resolutions were to the effect :—first, that all British subjects should be free to repair to and trade with China thenceforth :—second, that in case the transfer of the British Indian territories from the Company to the Crown was effected, the Company were to receive a certain portion of the revenues of those territories :—and third, that in order to secure the blessings of a benevolent administration to the natives of India, it was expedient to intrust the government of that country to the East India Company. These resolutions passed the House of Commons and eventually the Upper House.

In less than a month after they were submitted to the Legislature, Mr Grant introduced his East India Bill in the House of Commons, which entirely divested the Company of their commercial character, and entrusted them with the administration of the British Indian Empire for a period of twenty years, till 1854. It contained upwards of a hundred clauses, the most important of them being those relating to the constitution of the local governments in India : but its recognition of the necessity of an uniform code of laws for the whole

Indian population, and its attempt to supply that desideratum, added greatly to the value which attaches to it as an important measure materially affecting the constitution of the East India Company. The vast territorial acquisitions made by them subequent to the passing of the Regulating Act, extended the jurisdiction of the Supreme Court established by that Act to such an enormous extent that the equitable dispensation of justice which the words 'British justice' imply was rendered quite an impossibility. Beside the evil caused by the jurisdiction of the Court being undefined, the simultaneous prevalence of the various laws belonging to the various communities inhabiting India gave rise to many doubts and difficulties which, as a necessary consequence, frustrated the benevolent intentions of the judicial functionaries. For the administration of justice to her people, India had all at once the laws of the Mahomedan Koran, the Hindu Vedas, the Parsee's Zend Avesta, the British Legislature—so incomprehensibly different from each other. This chaotic state of laws rendered it quite impossible to deal out impartial and conscientious justice to her people, though there was very often the will to do it; and the evil resulting from it was

often augmented to a most fearful height by the dispensation of justice being made entirely dependent upon the caprice and temper of those entrusted with them. "An issue is evolved according to the rules of Westminister, and decided according to those of Benares," was the pertinent remark on the subject of an eminent man. Very able persons in the judicial and administrative services of India had recorded their opinions on the subject, and suggested the necessity of an uniform code of laws for the whole Indian empire. And with the object of remedying this serious evil, the framers of the new Bill proposed to invest in the Supreme Government the power to make and issue laws and regulations for the whole population of British India, European as well as native, which were to be binding alike on the Crown's and on the other Indian Courts of Judicature. It will be remembered that the Governor-general in Council already enjoyed the power by virtue of the Regulating Act, but all the rules and regulations* framed by him had to be approved by the home authorities and were re-

* All the enactments of the Supreme Government were called up to 1833 'regulations'; since then, however, they were distinguished by more dignified names—such as 'Acts', 'Laws,' and so forth.

quired to be registered by the Crown's Judges in India before they could be enforced. Beside these checks, which were always tedious and often turned to a most undignified use when the civil and judicial functionaries were not well disposed towards each other, the disgraceful quarrels between the first Governor-general and his Council from the very commencement of their administration, had thrown their privilege of legislation into disuse.

The Supreme Council was to consist in future of four instead of three members, as formerly, beside the Governor-general. The appointment of the fourth additional member, who was to be an English jurisconsult of reputed ability, and in no way connected with the Company, was to be made by the Directors and confirmed by the sovereign. He was entitled to sit and vote in Council only when it met for making laws and regulations. The three ordinary members were to be selected by the Court of Directors from among the Company's Civil and Military Servants of not less than ten years' standing. The Commander-in-Chief was also entitled to sit in Council as an extraordinary member, if he wished it, and to draw the salary of a member.

The authors of the new Act knew well; when they entrusted the power of legislation to the Governor-general that the task was of too difficult and incomprehensible a nature to be accomplished in the integrity of their intentions by the Supreme Government, overwhelmed as they already were by the various other functions of administration. A Law Commission was therefore appointed, consisting of not more than five members including its President, who was to be the Legislative member of the Supreme Council, though that was not absolutely necessary. These appointments were to be made by the Court of Directors, subject to the confirmation of the Royal Commissioners. The members were to be persons of the Law Board experienced in the judicial administration of India, and one or two of them were to be English jurists of reputation. It was the duty of the Commission to afford all possible aid and advice to the Supreme Legislative Council to enable them to perform their legislative duties with the necessary precision and completeness. It was also to enquire into the existing laws and systems of judicature which prevailed in the different parts of the Indian Empire, and to report the results of those enquiries and to suggest from time

to time such changes in them as the Commissioners might think conducive to the welfare of the people. All their attempts were to be directed towards removing the uncertainty and confusion in which the existing systems of administering justice in India were involved, and were to end in the formation of a code of laws uniformly applicable to the various races and communities inhabiting British India.

We have said that the new Bill was remarkable for the great but injudicious changes which it effected in the frame of the local governments in India. The object sought to be attained was to augment the power and supremacy of the Supreme Government to a magnitude, which could not fail to make them abused; and to lessen in proportion the authority of the subordinate governments so that their already humble situation might be made humbler still. While the Governor-general was invested with the power to legislate for the whole of British India, the Governors of the minor presidencies were deprived of the power they enjoyed by virtue of the Regulating Act, to frame rules and regulations for their respective towns. They were further rendered subordinate to the Supreme Government by the sanction of the latter being made

necessary to their incurring any expenditure, however insignificant. The question whether it was necessary that they should have the aid of Councils was referred to the joint discretion of the Court of Directors and the Board of Control. Though duly cautioned of the injurious consequences of this part of their new scheme by the East India Company and though severely opposed in Parliament also, the Ministers insisted upon the clause being passed. Consequently an uncommon amount of importance and quantity of work with their attendent responsibility were appended to the office of the Governor-general, the proper discharge of whose functions henceforth required the services of talents by no means common or easily procurable. While in a direct opposite ratio the governments of the subordinate presidencies were humbled and reduced almost to mere formal institutions requiring very little, if any, display of talents or diplomatic skill. A few brief years, however, sufficiently proved the injudiciousness of the plan, and its subsequent overthrow suffices to explain what it actually resulted in.

Mr. Grant's Bill created a fourth Presidency in India. The vast extent of territory, recently ac-

quired by British arms, embraced all the Western provinces and thus enlarged the presidency under the immediate government of the Governor-general to an almost unmanageable area. This extensive tract of land bordering upon the limits of a warlike and hostile country required to be governed with great care and vigilance; which, it was felt that, the Supreme Government with the proposed augmentation in their authority and the change which it was meant to effect in their constitution could not satisfactorily do. The North-Western Provinces of India were therefore formed into a fourth presidency. Notwithstanding the provision in the Act of 1813 restricting Europeans to possess land or to make settlements in India (though the Act had made them free to resort to that country at their pleasure) it was discovered that many of them stealthily owned large estates under fictitious names and cultivated on them indigo. This agricultural produce became in a short time a very profitable article of merchandize, and there being no apparent disadvantage in allowing Europeans the right of settlement in India the local governments had, by a little stretch of authority, resolved to remove, without previously consulting the home

authorities, the restriction of the Act of 1813, with however this stipulation, that the period of the lease on which Europeans were to hold their lands should in no case exceed sixty years. But the East India Company, divested as they were of their most cherished rights by the last Charter, were resolved not to yield an iota more as far as possible of the privileges remaining to them, and consequently the ruling of the local governments, deemed so important and necessary on account of the surrounding circumstances, was in the danger of bring peremptorily annulled. But its advocacy by men so distinguished in the annals of India as Lord Wm. Bentinck, Sir Charles Metcalfe, Sir Charles Grey and others saved it from that fate, and it was ultimately ratified by the authorities; but the term of the agreements was reduced from sixty to twenty-one years. So that the right of settlement in India proposed in this Bill to be given to Europeans may be looked upon as already given in its spirit. It was provided in the present Bill, however, that Europeans should not be admissible to the territories acquired by the Company since the beginning of the 19th century without their having a licence from the local governments. These

territories being newly obtained it was wisely deemed expedient to frame this restriction; but it was avowed in the course of the discussion on the clause that it would gradually be allowed to die out in the course of a few years.

The Ecclesiastical Establishment of India was also a prominent subject provided for in the new Bill. The last Act had authorized the appointment of a Bishop at Calcutta and an Archdeacon to each of the minor presidencies. Previous to this arrangement the Church Establishment in India had cost about £ 58,000, which sum was more than doubled by the extension effected in 1813. But it was discovered that the establishment of only one diocese in India, which embraced not only the whole of British India but Ceylon and also the Mauritius and Australasia, imposed such an enormous amount of labour on the bishop filling the see as to make it impossible for him to discharge his duties in a befitting manner. The learned and eminent Dr. Middleton, the first Bishop of Calcutta, and his successor a still more eminent person, Bishop Heber, both sacrificed their lives to the inexhaustible toils of their office, which were rendered doubly burdensome by the heat of an Indian sun. After

the death of Bishop Heber in 1826, the see which he so honourably filled remained vacant till its labours were lightened by the new arrangement, which provided the appointments of an Archbishop, two Bishops, and three Arch-deacons. This proposal provoked much discussion when it was on the carpet before the Committee of the House of Commons, and was also opposed by the East India Company, on widely different grounds however. The opposition in the Committee of the Commons clamoured that the President of the Board of Control, the author of the new Bill, took undue advantage of his situation to establish the religion of the sect to which he belonged; and left that branch of Christianity, the Roman Catholic, which had the greatest claim to consideration from government on account of its having for its members by far the largest number of native Christians as well as a large body of Indo-Europeans, quite unprotected and unprovided for. This objection was greatly passified by Ministers holding out a promise that Roman Catholicism would receive from government all the protection necessary for the defence of her interests in India. The argument of the Company, which was also eventually overruled

was not self-interested like the one just mentioned, but proceeded from that nobleness and liberality of views which dawned upon them with the change effected in their character since 1833. The institution of the see of Calcutta more than doubled the ecclesiastical expenditure, and the further extension in the establishment proposed by the Bill led them to fear its financial results. The appointment of one Bishop in India had caused an augmentation of nearly £ 60,000 in the current clerical charge and of more than £ 4,000 in the clerical pension list annually. And the further institution of two additional bishoprics therefore justly called forth strong opposition from the Company. The arrangement was however ultimately sanctioned. To speak conscientiously, that is, to speak as the fact would strike a person uninfluenced by distant considerations, we cannot deny that the introduction of Christianity in India at the expense of the natives was in itself an act in no way justifiable. The natives, barring some most inconsiderable exceptions, not only disliked it, but sincerely hated it from its first introduction into India, and so far therefore as the natives go they were unjustly taxed for being supplied with that which they

would most avoid: and if it be said that the introduction of Christianity into India was necessary for her European inhabitants, the simple answer to that of course would be that the European population ought to pay the whole expense thereof. This mode of reasoning however, we are perfectly aware, is entirely alien to the mundane associations which guide our daily intercourse in this world; and we are prepared to confess the justice of maintaining in a country the religion of its conquerors at the expense of the conquered. We therefore regard the original establishment of ecclesiastical institutions by the Company in India, and even their maintenance subsequently on a grand scale, not only with indifference, but with something like approbation having in mind the tyranny and even the savage brutalities often exercised in the act of propagating the religion of the victors among the vanquished.

Next we come to the question of compensation awarded to the Company for the loss suffered by the abolition of their monopoly of the China trade. Ministers proposed to pay interest at the rate of 10½ per cent per annum from the revenues of India on the East India Company's capital of £6,000,000 for

forty years; and it was further proposed to invest a sum amounting to £ 1,200,000 in consols to be called the Guarantee Fund, which being allowed to accumulate for forty years, was to be applied to the eventual discharge of the principal at the end of the stipulated term. The Company did not deem this offer of Ministers at all equal to the many valuable concessions they were called upon to make of "every thing which they possessed as a corporation:—their capital, computed at more than £ 21,000,000 sterling, every item of which was commercial in its origin and present character: their right to trade, most valuable when considered in connection with that capital, and with the position which the Company had established at home and abroad, and which right, if they chose to exercise it would greatly interfere with, if not altogether prevent, the advantages which private merchants expected to reap from a free trade with China:—their pecuniary claims, some sanctioned by a Committee of Parliament, both in principal and amount, and all recognized either by Parliament and in Parliament, by ministerial statements:—their land, forts, and factories in India, for which, they contended, they had as good a title as that by which

any property is held :—and finally, their claims in respect of the territory at large, which Parliament had always reserved." Consequently they proposed some modifications in the sums and terms named by Ministers. They deemed the amount proposed to be set apart as Guarantee Fund insufficient to redeem the original principal after forty years, and required it to be increased to two millions; a proposal to have it increased to three millions being negatived by a majority of themselves. Another stipulation which they required was, that all the payments due to the holders of East India Stock as such should be discharged before any others whatever; and that the revenues of India proving in any year insufficient to discharge the annual 10½ per cent. on the East India capital of £ 6,000,000, the deficiency was to be supplied for the time from the Guarantee Fund, which was to be reimbursed from subsequent Indian revenues. The Company also modified the proposition that at the end of forty years the East India Proprietors shall be entitled to receive £5-5s. of annuity, to the effect that in case it was deemed expedient to deprive the Company of the administration of India at the end of the term of the new Charter or at any period

within forty years from the year 1833, the Proprietors should be entitled to claim the payment of their principal at three years' notice; which being paid off they were to have all the rights of individual merchants to trade to India and China, which were suspended till the time of the final payment. These modifications were approved of, and the original propositions thus amended were eventually adopted. So that to get the East India Company to relinquish their exclusive privileges of trade with India and China these various sums amounting on the whole to between eighty and ninety million pounds sterling were to be paid them *from the revenues of India*. Whether this enormous sum was chargeable to India or not is a much-controverted question which yet remains to be decided. There are some who would tax the British merchant for it as being the party for whose benefit solely the Company were obliged to make the concessions in question: there are others who would have the amount paid from the British Exchequer; while there is a third party, larger than either of these two, which justifies the burden of this large debt being thrown on India. The full consideration of this

broad question must form the subject of a separate work, yet it may be hoped that a brief expression of the ideas entertained on it by the writer will not be deemed out of place. It is but too true that the Company were obliged to sacrifice their rights of commerce for the benefit of the general body of British traders, and there is no knowing how long they would have continued to be a mercantile and administrative body had it not been for the popular opposition which put an end to their commerce. Superficially therefore it accords with reason to say that the whole amount of Compensation to the Company ought to have been exacted from the direct recipients of the benefit. But what justice is there in calling upon the British trader to pay for the abolition of a monopoly which ought never to have existed? Further, it must be remembered that the framers of the Act of 1833 distinctly avowed that another object which they entertained in calling upon the Company to retire from their trade was to secure to India a more efficient administration than what their blended character as a trading and political body could admit of. However lightly this reason might have weighed with the Parliament of 1833 in comparison

with the main one, still there can be no denying that it did weigh with them; and its truth subsequently verified by the high tone which pervaded the Company's administration after 1833 proves that the extinction of the Company as a trading body was as much, if not more, beneficial to India as to the British traders themselves. Again, those who would argue that the Compensation ought to be paid from the British Exchequer are refutable in much the same way. They urge that the continuing the monopoly of the India and China trade to the Company after it proved lucrative was a blunder on the part of the State's ministers; and the expense incurred in rectifying the blunder should be charged to the State. We have never come across anything more reasonable philosophically, or more unresonable practically. Without enforcing the rights of conquerers as rigorously as any other nation of the civilized world would even at this day enforce, the British Legislature in its wisdom judged it right to charge India *only with a pecuniary debt* incurred partly for the benefit of the British nation and partly for the efficient administration of India herself, but which on the whole may not unreasonably be deemed the price

of rescuing her from an irrecoverable fall and degradation into which she had all but precipitated. We have observed with unqualified gratification that there are not wanting persons even among the conquerors, who think the burden of ninety million pounds unjustifiably laid on India, and who charitably strive to mitigate the evils resulting from it. They have arguments on their side,—arguments, solid, concientious, irrefutable. But as we have a little before remarked, the systems which their arguments uphold, are systems which however good in theory, have never been put in practice. We fear that the expression of our ideas would expose us to the dislike of our countrymen, especially when we proceed in a strain quite contrary to that in which those who think India unjustly saddled with the compensation debt advocate their cause. But it ought to be borne in mind that we are free to express our greatefulness for such efforts, which we repeat are more generous than consistent with the custom which has been through all ages and in all nations observed, and which can be attributed solely to the habits of free thinking so peculiar to Englishmen. But we feel that it would be the utmost abuse of a freedom so liberally

vouchsafed to the people of India, and the extreme of ingratitude on their part were they to clamour against being obliged to pay a debt incurred more on their own account than on any other, because there are some among their conquerors who in the goodness of their nature would also consent to bear a portion of their debt in addition to conferring the innumerable blessings of a wise and mild government upon them. If at a future time—a time which, if ever it is to come, we must look for to distant ages—a feeling like this should grow common among the present conquerors of India, if they should deem that it is their duty to govern India without deriving to themselves an iota of its revenues, the people of India may thankfully receive the advantages of a policy founded on such broad and liberal principles; but they cannot claim for themselves greater indulgence than what has been already granted them. They have been the recipients of so many blessings at the hands of their presents rulers, they enjoy such valuable rights which, however valued by a free people, they would never have known had they continued to be governed as they were in the sixteenth century, that it would be a wanton trample upon the indulgence voluntarily

accorded to them by their conquerors to ask as of right anything more from them. For their own further amelioration they may point out how that may be effected,—its consummation they would do well to leave to their rulers.

Mr. Grant's East India Bill, perhaps the most important of all those previously framed for the Company, having run through all its stages in Parliament, eventually became Act on the 28th August, 1833. But before it was committed by the Lords, the Company petitioned against some of its clauses. Their main object in doing so was to get a right of giving publicity as a rule to all the differences arising between themselves and the Board of Control, so that it might work as a check on the latter body, whose interference in the proceedings of the Court of Directors had often been annoying. They asked to be heard by counsel in support of their prayer, but the House declined to consent to it. An attempt, however, made by the Minister to get a veto on the power of the Directors to recall at pleasure the Governor-general, the Governors of the minor presidencies, and the Commander-in-Chief, was so strenuously opposed by the Company that it did not succeed. Beyond submitting

this temperate petition and suggesting some modifications, which have been mentioned above, in the arrangements regarding their pecuniary relations with the British nation, the Company did not interfere in the proceedings of government. They were fully alive to the necessity, if not the justice, of being called upon to give up their privileges of trade, and consequently they bore the great change effected in their character by the new Act with all possible good grace. On the other hand, Earl Grey and his colleagues repaid the judicious submission of the Company by allowing as much breadth to their pecuniary claims as they possibly could. Neither did Lord North's love of pelf make them too hard in their dealings with the Company, nor did Pitt's love of power induce them to indulge the Company with illegitimate profits and false hopes of power. With all its faults the Act of 1833 has the credit of being the production of conscientious men actuated by benevolent motives. Many of its clauses, especially those touching the constitution of the government of India, proved subsequently erroneous, but there can be no denying that they originated from intentions cherishing the welfare of the people of India.

We doubt if ever a minister of a victorious nation even thought of expressing such an idea as "that no person (from Great Britain) should go to India but in connection with the interests of the natives, nay, in subserviency to their interests." It cannot be said that views like this have been acted upon in the spirit of their conception, but the bare fact of their being conceived, not hypocritically, but in the conviction that they would be acted upon, redounds not a little to the credit of the framers of the Act of 1833.

There was another clause still more wise and noble in the Act than any we have yet mentioned, by which all disabilities on the part of the natives of India to hold responsible employments under Government were put an end to. It enacted that no native of India nor any natural born subject of His Majesty resident therein should by reason of his colour, religion, descent, or place of birth be incapable of holding any place, office, or emolument. Before men's minds had grown liberal enough to believe that denying the conquered people a share in their own administration was an act impolitic and immoral, it was thought that to put them in places of responsibility would be to hazard the safety of the

domination of the conquered dependency. But the wide diffusion of liberal principles in England at this time did not allow of such groundless fears being longer tolerated. Accustomed as the natives of India have been made by their rulers to think themselves entitled to all the rights of a free people, they are not to blame if they fail to discern any generosity in this clause; but they cannot deny it the credit of being the result of a laudable liberality of views and an anxiety to do justice.

Before concluding this Chapter the result of the labours of the Law Commission has to be mentioned. It proved a complete failure, complete when considered with the sanguine hopes entertained of the grand reformation it was to effect in the various confused systems of Indian legislation. "We do not mean that all the people of India should live under the same law: far from it. . . . We know how desirable that object is; but we know that respect must be paid to feelings generated by differences of religion, of nation, and of caste. Much may be done to assimilate the different systems of law without wounding those feelings. . . . Our principle is simply

this, uniformity where you can have it—diversity where you must have it—but in all cases certainty." Such was the exponent of the ministerial scheme. The Law Commission was called upon conjointly with the Supreme Council to draw up a code of laws for a hundred and fifty millions of people—a code uniform, and at the same time full of diversity to suit the various feelings of the numerous races and religions of the land, and certain on the whole to boot. This task was all but impossible. But it seems that its real magnitude was not comprehended at first, and consequently the Law Commission, which was thought at the time of its establishment to be quite equal to it, never completed it. After the most earnest and vigorous exertions had been vainly made to accomplish it, it was hopelessly abandoned and the Commission gradually dissolved itself; yet, utterly unsuccessful as its attempts proved, they were not entirely void of good. The researches made by the Commissioners, and their unavailing labours to draw up an uniform code has greatly facilitated and lent very valuable aid to the work of subsequent Indian legislation; the which, combined with the fact of the vast ability and energy of Lord (then

Mr.) Macaulay having been devoted to the Law Commission, has saved it from the common fate of unsuccessful schemes that "die and make no sign."

CHAPTER XIV.

THE EAST INDIA ACT OF 1853.

1835—1853.

The East India Company's uninterrupted career after 1833—*The opposition which was offered them on the occasion of the renewal of the East India Act—The cause thereof—Petitions against them from the natives of India—Their real origin—The bad state of Justice in India during the period of the last Act—To what owing—The nonfulfilment of the Government pledge to appoint natives to high Offices—How justifiable—Some notable features of the new Act.*

The last Charter-Act, improperly so called, so entirely severed the direct connection of the East India Company with the interests of the Anglo-Indian mercantile community, that during the whole period of that Act they were almost strangers to the national antagonism which had hitherto clogged the wheels of their progress. Immediately after they ceased to be a trading corporation, people ceased to worry them; and in their single capacity of administrators of India they were enabled to pay their undivided attention to the efficient discharge of their ruling functions. Such interests, also, as remain involved in commercial undertakings, being altogether eliminated from their affairs, a higher and nobler tone was imparted

to their proceedings. They continued with increasing success, as every year gave them greater experience of the wants of India, to use the power and means which they were appointed to command towards supplying them, and arrived at the end of the tenure of their statute in almost uninterrupted harmony. When that period, however, arrived, it was found that there were not wanting persons, who, either carried away in their zeal of benevolence towards the natives of India, lent a credulous ear to everything which malignant natures could possibly concoct about the Company's alleged maladministration, or led by motives of jealousy and ill-will, looked upon them as the incarnation of misrule, injustice, and oppression. It can hardly be denied that there were many shortcomings in the government of India admitting of reform; but it is scarcely less deniable that circumstanced like the East India Company, any other form of government could have insured greater happiness to a hundred and fifty millions of people than what they did. It is true that in the act of governing an extensive dependency fifteen hundred miles distant from the mother country, and embracing a vast population of different colours and creeds, the East

India Company allowed many grave errors to endure uncorrected, and introduced a great many others; but no sensible man can be blind to the fact that the immense peculiar difficulty of the task was a sufficient excuse for deficiencies like those. While many of their best measures, adopted by them with the intention of remedying such evils as were peculiar to India, which nothing short of a long and intimate acquaintance with the country could present in their true light to a strange eye, were construed by people in England as the veriest acts of injustice and oppression on the part of the Company. Ignorance of a thing always leads to most baneful conclusions regarding it; and such was the case with those who based their opinions of the Company's administration on a superficial knowledge only of Indian affairs. It was but natural, no doubt, that measures which the Company after more than a century of experience of a strange land teeming with men of numerous widely different religions, manners, customs, institutions, and sympathies thought best adapted to mitigate the evils under which that country was groping, should strike the minds of men who could pretend to no such knowledge and whose associa-

tions and habits did not allow of their forming an adequate conception of such wrongs, as absurd and preposterous. And hence they were led to look upon those very acts which were desirable, nay necessary, for the amelioration of a people who were in the infancy of their education and reform, as measures which took birth from an illiberal and no benevolent disposition. Such mistaken notions which a considerable portion of people in England entertained, were confirmed by petitions which the natives of India sent to the Imperial Parliament at the time when the question of the renewal of the Act of 1833 was being considered. These petitions which set forth grievances such as could not fail to call forth the indignation of men trained to English habits and used to a government like that of Great Britain, were for a time held as authority for every manner of vituperation, which those so disposed chose to utter against the Company. But it was in a short time found that these complaints which were represented as coming from the natives of India were hardly anything else than either the inventions of some of the Company's servants themselves who personally bore grudge towards their masters, or the brainborn

evils of that class of natives which was then pretty generally known as young India, whose superficial education had instilled in their minds but a misguided notion of freedom and good government.

It seems, however, that the petitioners contrived to intersperse among the host of wrongs they complained of, one or two real or seeming real grievances of such a grave nature that the British Legislative was induced to pay them that attention which would otherwise have been denied them. Indeed it was in the very nature of those complaints to have invited serious consideration from Englishmen. These were the failure of Justice in India and the non-fulfilment of that pledge which the East India Act of 1833 gave to the natives of India to employ them freely in high situations in the administration of their own country. As to the first, there were certainly good grounds for a strong complaint. Notwithstanding the exertions of the government of India, both in England and here, the administration of justice proved a deplorable failure. We certainly do not mean to say that the dispensation of justice in India during the twenty years of the Act of 1833 was worse than

what she had ever received from her native princes, a conclusion which is to be derived from the fact of the natives of India complaining of British justice in 1853. But that it did fall far short of the high expectations which the provisions which were made for that branch of administration in the Act of 1833 held out, there can be no question. Those immediately responsible for this sad state sought refuge in the pretext that there was no determined code of laws to guide them. We have mentioned in the last Chapter what result the labours of the Law Commission brought about. Their efforts at constructing a uniform code being baffled, India was still suffering from the want of settled laws. And in the absence of a proper code, it would certainly be absurd to expect that sound and even justice could be administered to a hundred and fifty millions of men on the basis of the multitudinous widely different codes of the various races, to which they belonged. But the state of justice in India, was represented by the petitioners to be on such a disgracefully low level that, in spite of this fact, we must look forward to some other cause for it. And we find it in the persons of those officers in the Company's service,

to whom were entrusted the responsible functions of Judges and Magistrates. Before 1833, that is before the East India Company became exclusively an administrative body, the inferior and less able of their servants were appointed to offices of routine business in their commercial department. But since 1833, when their trading privileges were altogether annihilated, this branch of their service, which hitherto supplied them with the means of disposing of such persons as were unfit to be appointed to the more important offices in the revenue, political, and judicial departments, was of course abolished. Their patronage, however, continuing to flow in the same groove as before, the usual tribute of incapable men was thrust upon them as formerly. It became necessary, therefore, to appoint them to administrative functions; and a great number of them was sent into the judicial department, (the revenue and other political branches being deemed more important), where they proved positively mischievous.

The second of the two grievances which induced Parliament to set store upon the petitions from India was, that the Company had intentionally failed to comply with the letter and spirit of the

clause in the Act of 1833, which ordained no distinction of caste or colour to be observed in the distribution of offices in the Indian administrative service. It was hard to conceive anything that could go so far to cast reflection upon the Company's intention as the bare assertion that they had not given a single office of emolument or trust in their service to a native. Scanty and superficial as the knowledge of most of the members of Parliament in 1853 regarding India was, it must have made their very blood boil to hear that the Company had adjudged "1,80,000,000 of God's creatures so depressed below the level of their own civilization, that no two of them were fit to hold situations of importance in their own land." We cannot sufficiently appreciate the benevolence of motive which impelled members in the British Legislature thus to decry the Company's government; but at the same time we confess we can hardly respect their knowledge regarding India. No person having pretensions to a pretty general acquaintance with the country could have found it difficult to believe truths like the above, monstrous and beyond belief as it undoubtedly looks; and we do not think a more conclusive proof of this is

necessary than what is offered by the glaring difference which distinguishes the views expressed in 1833 from those uttered twenty years after on the same subject by that great man whose sympathy for India was a distinguished trait in his character, whose opinions regarding India could hardly be said to be influenced by party feelings, and whose intimate knowledge and experience of the land gave great weight to those opinions. "I do not blame those" says he "who do not admit them (the natives in the civil service), for it is my belief that there is not in India a young native, whom it would be a kindness to the native population to place, at the present moment, in your civil service." This is the opinion which that eminent man, after having personally seen India and studied the native character, entertains on a subject of which he spoke twenty years before in language like this: (After having alluded to the provision in question in the Act of 1833, as "that wise, that benevolent, that noble clause" he proceeds to say), "I shall be proud of having been one of those who assisted in the framing of the Bill which contains that clause. We are told that the time can never come when the natives of India can be admitted to high civil and military

office. We are told that this is the condition on which we hold our power. We are told that we are bound to confer on our subjects every benefit—which they are capable of enjoying?—no;—which it is in our power to confer on them?—no;—but which we can confer on them without hazard to the perpetuity of our domination. Against that proposition I solemnly protest, as inconsistent alike with sound policy and sound morality." In spite of all that was uttered against the Company's alleged unwillingness to fulfil the intention of the clause, it suits us to think that the defence which this difference in the opinions we have here referred to holds out is sufficient vindication of the course the Company deemed it prudent to follow.

It will have been seen, therefore, that these two grievances, almost the only items in the petitions presented to Parliament at this period against the Company, which invited serious consideration, were not so entirely void of justification as to throw any considerable hinderance in the way of the Company's securing a renewal of their Charter of 1833. In fact, the latter grievance, viz., the pledge to employ natives to high offices in the administration of India being turned a dead letter,

though it offered at first a vantage-ground to the opponents of the Company whence to bring home to them the charge of being selfish and narrow-minded, was eventually discovered to be almost an empty howl of discontent, begot chiefly of presumptuous ignorance. Again, the failure of justice in India was so clearly shewn by experience and by the statements of men competent to opine on the subject to be owing more to the insurmountable difficulties which debarred the possibility of framing a suitable code of laws than to any particular default on the Company's part, that the cry on that score too was shelved by the appointing of a fresh commission to enquire into and report on the judicial department of the Indian administration and to suggest such alterations and additions therein as might seem desirable. The objections against the continuance of the Company's rule being in this manner disposed of, the renewal of their Charter encountered no strong opposition in Parliament. Sir Charles Wood, the present Lord Halifax, as President of the Board of Control introduced in the House of Commons the new measure, or more correctly, the question for renewing the old measure; for, notwithstanding that the Charter of 1855

sanctioned some improvements in the several departments of the Company's affairs, both domestic and foreign, which enlarged experience and increased knowledge suggested, it was so similar in all the most essential points to the last Charter that it could hardly be distinguished from the latter. That Indian Statesman, though at the time but a few months in office, expounded the question in a speech of great length and full of most minute and correct particulars regarding India, the proverbial absence of the knowledge whereof in her rulers has unhappily ever formed and still forms a source of discredit to themselves and injury to their subjects. The short period for which the renewed Charter remained in force obviates the necessity of our entering into all its details, consequently it will suffice to notice here only two or three of them which most distinguished it from the original.

It sanctioned the constitution of a New Presidency comprising Bengal and Bahar. The government of these provinces, which was hitherto under the immediate control of the Governor-general, was placed under the presidency of a separate Lieutenant-governor. The constitution of the Board of Directors also suffered a notable change. The num-

ber of its members was reduced from twenty-four to eighteen, and of the latter number three were elected by the sovereign. The last feature in the new Bill which we shall mention was the change it proposed to effect in the mode of election to appointments in the Indian Civil Service. Hitherto the patronage lay partly with the Minister and partly with the Directors, and the mode of its distribution being unsecured by any defined provisions, the elections were apt to be influenced by various motives. The new provision, however, ordained that the distribution of patronage should in future be regulated by examinations; and this system, known as the Competitive System, formed the most benevolent as it was the most important characteristic feature of the Act of 1853.

CHAPTER XV.

TERMINATION OF THE EAST INDIA COMPANY'S RULE.

1853—1858.

The Charter of 1853 *brought to an end in* 1858—*Responsibility thrown in the wrong quarter for the Indian Mutiny—Its causes still remain to be determined—The ostensible causes thereof—An investigation into them—Views on the annexation policy of Lord Dalhousie—The effect of the news of the Mutiny in England—Its bearing on the Destinies of the East India Company—Used as a pretext for the Abolition of the Company—Their Protest against such a step—Lord Palmerston's Bill for the purpose delayed and subsequently withdrawn—Mr Disraeli's Bill—Allowed to fall off—Process by Resolutions—The Third East India Bill of* 1858—*Its progress through the Legislature—Becomes Act.*

The Charter of 1853, the final Charter granted to the East India Company, did not last long. With the heart-rending Indian Catastrophe of 1857 the term of the Company's existence was run out.

It is certainly not the least condemnable weakness of human nature to be blind to errors of the most mischievous kind till it becomes quite impossible to avert the calamities in which they in the fulness of time culminate. Nor is it a less reprehensible frailty of the human mind to stumble on the wrong path in the confusion and crisis of danger. There have, indeed, been very many instances in the

history of mankind, where whole institutions with the most absurd discrepencies staring in the face have been suffered to exist without any attempt having been made to remove them; and where, when at length the evils resulting therefrom had grown to such an unwieldy extent as not to allow any longer of their being winked at, persons by no means accountable for the mischief, and beyond in fact whose power it might have been to have averted it, have been picked out as expiatory sacrifices. But we doubt whether even one among them offers a parallel illustration of this weak characteristic to what is furnished by the precipitate haste and want of judgment with which the people threw the onus of the dreadful events of 1857 on the East India Company.

It is perhaps too well known that the various attempts hitherto made to determine precisely the cause or causes which brought about these events have all, notwithstanding the vast ability and diligent research brought to work on several of them, been wrecked on the dubious rock of conjecture. The unsatisfactory conclusions to which all questions of contemporaneous history are generally brought, are owing no doubt to those conflicting

feelings which, exerting an influence over the mind such as it would be impossible to disregard, prove utterly prejudicial to an impartial reviewing of the various points at issue; as well as to the absence of a foreground sufficiently removed to present to the eye the picture lying beyond in due proportions. And certainly to them is mainly due also the failure of the efforts made hitherto to arrive at the origin of the Indian out-break of 1857—a problem of such gigantic proportions and involving so many and such opposite considerations, that it may not improbably require the lapse of more generations than one before the penetrating judgment and facile language of some yet unmoulded Mill or Macaulay shall have enshrined it in its proper niche in the Temple of History.

This, therefore, being neither the proper place nor time for the investigation of the subject in question, we gladly avail ourselves of the opportunity to pass it over, for we are too well aware of our own inability not to feel a sort of relief at being able to shelter ourselves under a sufficiently decent plea from the task of dwelling at length and risking opinions on an historical event of uncommon magnitude and importance. We may,

however, safely lay before the reader the ostensible causes to which is attributed the origin of the bloody rebellion. The first supposition, the one which has by far the largest number of advocates, is, that the mutiny was mainly due to the alleged attempt to meddle with the religious customs and observances of the native soldier. Next comes the Dalhousie annexation policy as having sowed the seeds of what, if it had only been allowed to arrive at sufficient maturity, would have had the fatal effect, and to none so fatal as to India herself, of extinguishing the British domination over her. Then we have another article, in which the belief is comparatively small, namely, the introduction of the Land Revenue System: and a fourth one still, not to be compared with any of the foregoing in point of importance, but which, having upholders all its own, might bear mentioning. It was the discontent which was alleged to have arisen on account of high-castemen being exclusively employed in the Bengal Native Regiments,—an almost idle conjecture were it not for the fact of the mutiny being confined chiefly to the presidency of Bengal.

The first named position finds, as has already been mentioned, a great many supporters from the

fact of the impression generally created even some time before the mutiny broke out, that great dissatisfaction prevailed in the native army in consequence of some orders from commanding officers, which were liable to be construed as the ground-work of what was generally and is to a less extent even now believed, to be the be-all and end-all of the English rule in India—the spread of Christianity throughout the land. Then again, there is no gainsaying the fact that the greased cartridge kindled into conflagration the fire that had been smouldering below the surface. This event indeed lends a stability to the supposition, which justifies the belief placed in it. But, therefore, those who hold the Dalhousie policy of wholesale annexation responsible for the melancholy event do not fall very wide of the mark. Indeed, up till now, though since the time we are speaking of nearly a decade and half has elapsed, hardly anything has transpired to falsify this view; and to all appearances, it promises, so long as the problem will remain veiled in uncertainty, to retain its worth for the thoughtful consideration of the historian. It would, however, be absurd to believe what each of the two assertions suggest, to be the *fons et origo* of

the mutiny. In fact each of them was hardly capable of producing dissatisfaction to a degree which could fire even a nation scrupulous of the least encroachment on its rights and privileges into an open rebellion, much less a people known, as the people of India have been known, for their indifference to common and divided interests. We may, however, so far believe in their bearing on the Indian mutiny as to regard them as strong incentives towards the propagation of a national dissatisfaction which, for our part, we believe to be the result neither of the false notion just referred to nor of the annexation policy exclusively, but of a series of enduring blunders committed, we would fain confess, with purposes and motives which, had they only been carried into execution in a manner worthy their nobleness and liberality, would have this day half effected what it is the avowed mission of the English man in India to effect—her regeneration. We may not doubt that the sepoy's unfounded apprehension that his officer's orders were each of them an attempt to tamper with the customs and prejudices which from his childhood upwards he was taught to observe with religious veneration; or that the fears entertained by the native rulers and their

subjects that, the Western conqueror of their land was actuated with a wish to

> "violate each saddening shrine,
> And bear its altars o'er the long reluctant brine,"

and that consequently he pounced on every fair opportunity or foul pretence to establish his control over the property of others and tried by every possible means to make at length India's sons "too weak her sacred shrines to guard;"—we may not doubt that either of these mistaken views can be identified among the causes which brought on the Indian insurrection. But we cannot lend our belief to the supposition that it was the out-come exclusively of either or even of both of them, unless it be at the same time granted that they were but the means through which the national discontent begot of the weaknesses and vagaries of men in power years before reached its culmination. But we must leave the question at this stage to be settled by the future historian, and proceed to state briefly what effect the Indian mutiny had on the destinies of the East India Company. We believe, however, we are not trespassing on the limits we have prescribed to ourselves by throwing out a thought or two regarding the annexation policy.

We shall not commit ourselves to opinions either for or against the wisdom thereof any further than to avow that it may be favourably viewed as a wholesome restraint on the savage atrocities and mischievous caprices which have formed during generations gone, and still form, the characteristic of the native ruler. The policy has been, we suppose, defended mainly on this principle; and if this supposition be not wrong, we are unable to perceive why it should have been put into execution in such a manner as to render it capable of bearing the construction which its opponents naturally try to put on it. If the misrule of a native prince should at all render it advisable for the Paramount Power to make itself the guardian of his territory and subjects, why should it wait till in the course of nature his life is ended? Not only does such a mode of proceeding give weight to the supposition that the Dalhousie policy was meant to extend the English territories in India, but it seems to lack even the support of common-sense when it strikes us that by allowing action to depend on the uncertainties of natural events,—and it requires no argument to prove that the mode in question does so—a whole people may be left exposed for years to-

gether to the vagaries and brutalities of that scourge of the human race, an uncultivated despot. In case, however, the policy of annexation was meant otherwise than to operate a salutary influence on the proceedings of the native rulers, it is impossible to view it as something very distinct from a policy whose avowed object was aggrandisement,—a policy more selfish and narrow than could be identified with the liberal tendencies of the British Constitution. Superficially, we confess, this conclusion is open to argument in so far as the defenders of the policy can urge that the Paramount Power is the legitimate heir of heirless territories. It would be sheer impertinence to deny the plausibility of an argument like this were it only advanced by a government less liberal-minded and less conscientious than the English; but we are constrained to remark that, after the promulgation of the doctrine of unqualified religion freedom, the policy in question has the appearance of being subsequently invented to furnish some sort of qualification and limit to that wise and enlightened principle. The religious *Shastras* of the Hindu not only permit but enjoin adoption in absence of a male heir, and if the tendency of any measure on the part of

government be to render nugatory, or even to lessen the value of any such privilege, as it undoubtedly appears to be a phase of the Dalhousie policy, their claims to the merit of religious toleration are, we submit, hardly permissible. But we are loth to attribute conduct so flagrantly inconsistent to the British Government of India.

It therefore but too naturally follows that the annexation policy contemplated no less than to confer the blessings of good government and freedom on peoples crushed and debased under the arbitrary will of illiterate tyrants, whenever opportunity should offer: and therefore, notwithstanding that its course of action is open to grave censure, the motive of its conception at least deserves to be commended. But, unfortunately, the way in which it was put to work was, as has been remarked, so unstatesmanlike and to such a degree incompatible with the broad principles which regulate the British rule over India that public opinion has condemned it as one of those blunders which tarnish the fair fame of its actions and intentions. It hardly stands to reason to say that a legitimate son may not grow to be a more vicious or a more wicked man than an adopted son, or that an adopted son may not

turn out a wiser and nobler heir to his father than a born heir. But it is to reasoning like this alone that the annexation scheme inaugurated twenty years ago could look for defence. In the face of avowed religious toleration in the first place, next of the acknowledged superiority of right over might, then of the affirmed dis-inclination to extend its territories, and lastly of the sound sense and impartial justice which are all characteristic of the British Indian administration, a policy of temporary annexation only, or, in other words, a policy of rescue and amelioration with a high hand would be, in our opinion, the nearest approach that could conscientiously be made to the Dalhousie scheme. A policy like this alone could fittingly enunciate the high-mindedness with which Englishmen are said to regard their connection with India, and at the same time enable them to fulfil the object of their mission in the land. Through its instrumentality they might assume the conduct of a dependant state's affairs on the demise of its native chief, and resign it to the rightful owner, no matter whether he be a born or an adopted heir, when he has attained sufficient age and intelligence to be able to feel the importance and discharge the obligations of his rank and

responsibility. They might even go further, and fortified by a policy as manifestly disinterested as noble the consideration begetting it, and this above all:

"attended
"By a strong siding champion, Conscience,"

assume the functions of government over a persecuted people and a plundered province from the tyrannising hands of an inconsiderate Chief, to restore them, after the lapse of a sufficient period, a prosperous people and flourishing fields to the same prince but a different, that is a wise, just, and enlightened ruler, having for their reward the blessings uttered by

"a people's voice,
"The proof and echo of all human fame."

But to return. When the news of the breaking out of the insurrection in India first reached England it was by no means looked upon in the dreadful light of its reality. But succeeding despatches revealed the true aspect of affairs, and the unusual event of the attention of Parliament being drawn to matters relating to India within five years of the time when it last discussed the question relating to the administration of that dependancy, occurred. The nation also

became greatly excited; whether on account of the hideous nature of the insurrection itself, or because it at length found a pretext for effecting the total annihilation of a body whom it had already treated so ill, it is hard to say. The latter, however, does not seem to be by any means the least likely reason of the two, as can be clearly inferred from the strange explosion of credulity which raged in the people and wrought in them the belief that the Indian mutiny was wholly due to misrule on the part of the East India Company. Though with the abrogation of their trading privileges had dawned that unfortunate epoch in the administration of India, which distinguishes it from the period when even a Burke or a Pitt did not despise it as any unfit subject for the exercise of their unrivalled powers of oratory and legislation; and notwithstanding that by such sequestration of their commercial element the nation appropriated to itself all the available profits which it could expect to derive from its Eastern Possessions, still the very name of the Company had become so execrably odious to the popular ear that, ever and anon there was a complaint or a claim against them pressed on the attention of Parliament. In such a state, therefore, of the popular mind, influenced as it

undeniably was by a most unreasoning prejudice, the nation found instant relief at finding a way out of the labyrinth in which its boasted tolerance of the chartered rights of a corporation on the one hand, and its injudicious but helpless intolerance of the existence of a body the first of that nature on the other, had involved it. Consequently, almost the first Parliamentary movement with regard to the mutiny was the introduction of a scheme to extinguish the existence of the Company altogether, and to transfer the administration of the territories acquired by them to the direct control of the Crown. With this view the late lamented Lord Palmerston, then at the head of the Ministry, asked for leave to introduce a Bill in the early part of 1858. Though it is but justice to say that in the course of his speech on that occasion the noble Viscount freely confessed to being in a great measure guided by the popular voice in taking this step; still the attempt to put together the blunders committed by the Company, and to paint them in the darkest colours as if to form ground for an act which, neither judicious nor politic in itself, was at the time and under the circumstances most injudicious and impolitic, was too obvious to

escape notice. But this futile attempt, besides being attacked in Parliament, was entirely frustrated by a petition which the Company submitted to the Legislature for the double purpose of answering the aspersions cast on them and of urging the inadvisability of effecting any change in the prevailing system of administration, especially at a time when the people were by no means in a state admitting of calm deliberation on such a momentous subject. This document, however, which, it should be remarked, bore ample evidence of being the offspring of a master mind and which formed a worthy *finale* finale to the invaluable records which must be looked upon as a portion of the almost imperishable heritage the East India Company has left to the British nation, failed of its purpose quite as expected. Not that it lacked either force or argument,—rather backed by the 'irrefragable logic of facts' and strengthened by an eloquence of language not often to be met with, it would have carried the day:—But what could reasoning or words avail before a people whom rancour had made incapable of judgment, and in respect of an institution, the hatred regarding which was as old as itself and had grown with its growth? The minister, therefore,

had hardly any difficulty in obtaining permission for introducing his Bill. It had, however, to be withdrawn after being presented to the House, on account of a change in the administration, and a fresh Bill by the Conservative Government was brought in by the present Mr Disraeli. There were two main principles on which the opinions of those insisting on a change of Indian administration were divided. Some wished to retain the same form of Government as existed but under a different name only; others would have a different form inaugurated as well as a different name. Those, however, who advocated the latter, were disagreed on a point of vital importance. They all proposed to place the administration under a Secretary of State, but one portion of them was for the appointment of a Secretary of State with subordinate officers only like the other State Secretaries; while the other insisted on offering him the benefit of a council. Among those with whom the latter found favour, reckoned both the administrations, and consequently it was common to the Bills of both, though in details they widely differed. The principle on which the future Government of India was to be carried on was, therefore, as good as

determined; but the East India Company had become an institution of such unrivalled magnitude and antiquity in the history of British India that in spite of this unaminity on the main point, and of the general feeling against the existence of the Company, it was found impossible to alight upon a plan which should give India a better government than that which existed. Consequently there was danger of the new India Bill also encountering the most strenuous opposition in Committee and being ultimately thrown out. The only course that could be pursued in such an exigency was to proceed by resolutions. Mr. Disraeli in consequence withdrew his Bill at the same stage at which its predecessor was withdrawn, and brought forward seven resolutions instead, which being ultimately amended were reduced to five, viz :—

1—"That as the Territories under the Government of the East India Company are by Law to remain under such Government only until Parliament shall otherwise provide, it is expedient that the transfer of such Government to the Crown should now take place, in order that the direct superintendence of the whole Empire may be placed under one Executive authority."

2—"That for this purpose it is expedient to provide that Her Majesty, by one of the responsible Ministers of the Crown, shall have and perform all the powers and duties relating to the Government and Revenues of India which are or may be now exercised and performed by the East India Company, or by the Court of Directors or Court of Proprietors of the said Company, either alone or with the approbation of the Commissioners for the Affairs of India."

3—"That in order to assist such Minister of the Crown in the discharge of his duties, it is expedient that a Council be appointed of not more than fifteen Members and not less than twelve."

4—"That in order to secure the greatest amount of knowledge and experience in the management of the affairs of India it is advisable that the principal portion of the Members of the Council shall have served or resided in India for a term of years to be limited by statute."

5—"That with a view to the efficiency and independence of the Council it is expedient that it should be partly nominated and partly elected."

Pursuant to these Resolutions Mr. Fitzroy, the Chairman of the Committee wherein they were

passed, Lord Stanley (the present Earl of Derby) and the Right Honourable Benjamin Disraeli conjointly framed a Bill, which being duly carried through successive stages was committed on the 25th June when

With respect to the Second Resolution: It being the avowed object of the new constitution to concentre in the person of one Minister responsible to Parliament only all the powers hitherto exercised by the different branches of the East India Company, the Secretary of State for India was made entirely independent of the Council proposed to be given him and was to have a seat in Parliament *ex-officio*. He was also empowered to exercise the functions hitherto discharged by the Secret Committee without being obliged to communicate the same to his Council.

And with respect to the Third, Fourth, and Fifth Resolutions:—It was enacted that each of the Councillors was to receive a salary of £1,200 per annum, and a pension worth £500 at retiring after ten years' service in Council; that a majority of them should consist of persons who should have served or resided in India for a period not less than ten years, and shall not have last left India more than ten years next

preceding the date of their appointment; and that of the fifteen members of which the Council was to consist, eight should be nominated by the Crown and seven elected. It was also agreed upon to vest the real and personal property of the Company in Her Majesty, and to charge on the revenues of India all the existing as well as the future expenses, debts, and liabilities that might be incurred for the purposes of the Government of India. The dividend of the Company was also to be paid out of the India Treasury.

The rest of the clauses of the Bill being agreed upon almost without amendment, the Bill was ultimately read a third time and passed in the Commons on the 8th July following. On the 23rd of the same month it was carried through, subject to one or two amendments, in the House of Lords; and these amendments being acquiesced in by the Lower House, the Bill Re-constituting the Government of India received the Royal Assent on the 2nd of August, 1858.

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